

THE NATION'S BUSINESS

June
1923



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The Fantasy of the "Living Wage"

By Ben W. Hooper
Chairman, U. S. Railroad Labor Board

One Way to Cut Distribution Costs

By William A. Durgin
Of the Department of Commerce

A Biologist Looks at the Immigrant

By Vernon Kellogg
Of the National Research Council

Keeping Retail Business Clean

By Louis E. Kirstein
Comptroller, Wm. Filene's Sons

Senator Couzens, Radical—and Rich

A Character Study, by James B. Morrow

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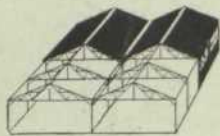


Published by the Chamber of Commerce of the United States

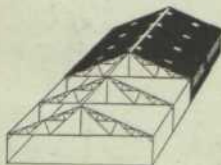
MORE THAN 100,000 CIRCULATION

STEFco

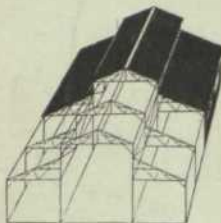
Buildings come in seven general types to suit every industrial need.



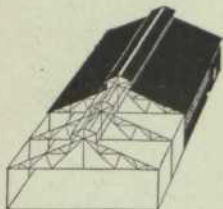
Valley



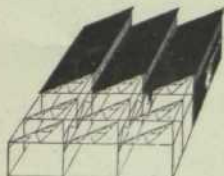
Clear Span



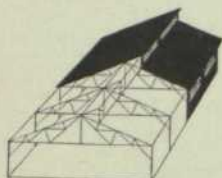
High Crane



Monitor



Sawtooth



Semi-Monitor



Low Crane

Here's every type you could possibly get in specially designed buildings. You can save engineering costs and delays the Stefco way



"There it is for only \$6,800 and we expected to pay \$15,000"

How you can keep over \$8,000 for working capital—and save \$500 a year on interest alone

THINK what it means to build at these figures!—the STEFCO Way—to have permanent, fireproof, solid steel buildings that offer facilities surpassed by no other type of construction, at less than half the cost.

For Every Industrial Purpose

Here are seven types and styles—one or a combination of which will furnish you any amount of floor space required—rigid construction that provides, in addition to the roof load, for carrying overhead loads such as line shafts, trolley distributing systems, etc., without additional bracing. Sash arrangements to meet almost any layout desired—supplemented with corrugated glass skylights or monitors—STEFco buildings offer maximum modern factory lighting.

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buyer gets a combination of the best practice evolved by the engineering profession—without frills or fads.

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Cut the time in two the STEFCO Way. Save on material costs! Save on architectural and engineering costs! Save on time! Eliminate worry and uncertainties! Bank on the judgment of enthusiastic users everywhere!

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Place your building requirements in the hands of STEFCO engineers—they're retained to worry about other people's troubles. Get this problem behind you—then go ahead uninterrupted with your pressing

plans for increased production. You owe it to yourself to know, in black and white, what STEFCO buildings will save you.

Yours for the asking!

STEEL FABRICATING CORPORATION

General Office and Works

Michigan City

Indiana

Valuable Building Information FREE

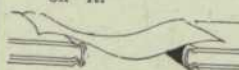
Try This Test of the Corrugated Principle



Fold a small piece of paper like this



Lay it between two books like this—put two or three pencils on it.



Now lay a flat piece between the books—it sags under its own weight. A simple demonstration of the corrugated principle—and a good reason why STEFCO uses corrugated sheets exclusively.

STEFco
CORRUGATED FOR STRENGTH
Ready-Built
STEEL BUILDINGS

Service Bureau, Steel Fabricating Corporation.
Michigan City, Indiana

GENTLEMEN:

I am interested in a _____ type of building _____ wide by _____ long by _____ high to eaves with _____ doors and _____ windows. Please send information with the understanding that it obligates me in no way.

Name _____ Position _____

Firm Name _____

Address _____ City _____



Robbins & Myers

Remington

GOOD YEAR



Johnson & Johnson

Vaseline

Kodak



Thomas A. Edison



TRUSCON

COPPER STEEL STANDARD BUILDINGS

3—Endorsed by recognized leaders

The largest industrial and commercial enterprises in the country are buying and using Truscon Standard Buildings for permanent plant equipment. This nation-wide acceptance of Truscon Standard Buildings, coming from such well-known concerns as are represented by these famous trademarks, is the best testimonial to their worth we can offer.

Such companies buy only upon thorough investigation and satisfactory proof of values. Recognition of Truscon experience and leadership in fabricated steel products, plays an important part in the initial purchase. But repeat orders from practically every customer can be attributable only to satisfactory performance in the most exacting requirements of service.

Truscon Standard Buildings are a development of intensive engineering skill. They represent a

long period of progressive improvements over the earliest types of steel building.

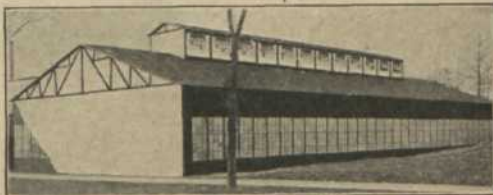
Simplification of mechanical design, efficient manufacturing methods, and quantity production result in factory-made units of highest quality and perfection. These units permit of assembly into any type, arrangement and size of building required, and at lower cost than any other kind of fireproof, permanent construction.

Truscon Standard Buildings are permanent and fireproof, and are all steel throughout, including windows and doors. Walls and roofs are of copper steel which resists corrosion. Walls may be made of steel, brick or concrete as desired. These buildings are practically airtight, easily heated and ventilated, windproof, fireproof, and are substantial and pleasing in appearance.

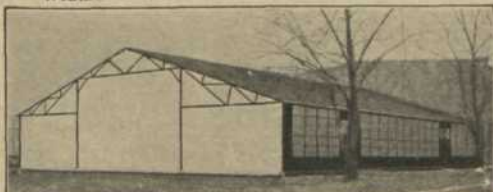
A series of advertisements on better buildings for all one and many two-story industrial uses—made to order from standard stock units—with resulting economy in first cost, in time of erection and in final cost.

Typical Truscon Standard Buildings

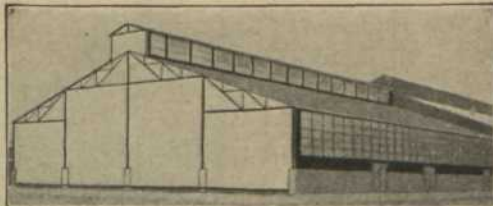
Lengths: Multiples of 2'. Heights: 8'-1" to 21'-5". Any arrangement of doors and windows.



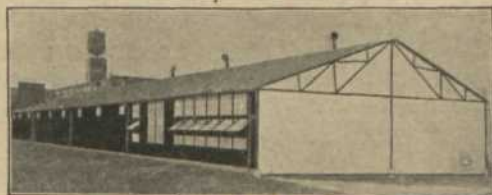
TYPE 1 (Clear Span) with Lantern
Widths—8'-12'-16'-20'-24'-28'-32'-40'-48'-50'-60'-68'



TYPE 3 (3 Bays)
Widths—56'-60'-64'-68'-72'-76'-80'-84'-88'-96'-98'-106'-108'-116'



TYPE 4 (4 Bays) with Lantern
Widths—80'-100'-112' (4 Bays @ 20'-25' or 28')



TYPE 2 (2 Bays)
Widths—40'-48'-50'-56'-60'



TYPE 3M (Monitor)
Widths—60'-64'-68'-72'-76'-80'-84'-88'-90'-96'-98'-100'-106'-108'-116'



SAWTOOTH TYPE
Widths—Any Multiple of 28'-0"

Act today before prices rise. Select the type of building you need from the six illustrations. Fill in and mail the coupon today, or write to us for complete information.

TRUSCON STEEL COMPANY YOUNGSTOWN, OHIO

Warehouses and Offices from Pacific to Atlantic. For addresses see 'phone books of principal cities. Canada: Walkerville, Ont. Export Div.: New York

TRUSCON STEEL COMPANY, Youngstown, Ohio

Send me useful building book and suggestions on building to be used for _____

Type _____ Length _____ Width _____ Height _____

Name _____

Address _____ (NB-6)



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Western Electric

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MINCE MEAT

PYREX

Ford





How often does your business talk to you?

HOW often are the vital facts about your business laid before you? Once a year? Once a quarter? Once a month?

In firms where Elliott-Fisher Machines are employed to do the accounting, a complete, accurate record of every day's business is available at the close of every business day.

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A worth-while advantage

Elliott-Fisher Machines on your work would enable you to see at a glance just how much is owing you and who owes it. They would enable you to know to a penny just what every operation

is costing you. They would provide you with a daily inventory of goods in stock and in work.

Compare this kind of accounting service with what you are now getting. Can you know instantly the exact facts covering every phase and angle of your business? Is every department head constantly in possession of all the facts of interest to him?

Have an Elliott-Fisher man call and explain

The experience of the Elliott-Fisher representatives covers all lines and kinds of businesses—all phases of accounting. One of these men will gladly call upon request and, without obligation, go over your accounting needs. It may mean much to you to have such an interview. Write or telephone our nearest office.

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Branch Offices in Every Important City in the United States and Canada

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Without extra work or effort.

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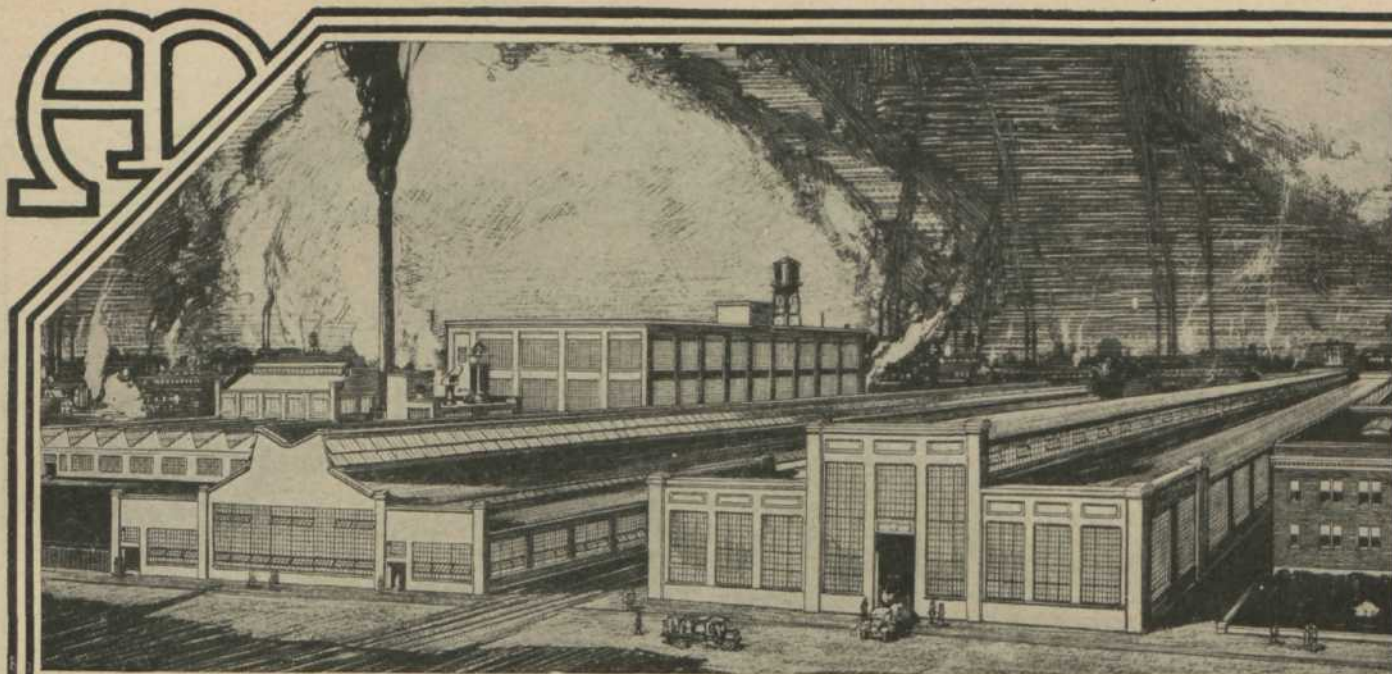
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Austin Permanent Buildings Are Low in Cost Today

Because the large stocks of essential materials—steel, steel sash, glass, etc.—in Austin warehouses were purchased at prices from 20% to 50% below the present market and because these savings are shared with Austin clients, Austin Buildings are low in cost today.

But material is not the only factor of saving under the Austin Method. Austin Buildings are low in cost today because they are designed for the most economical construction—and without using any excess material. Construction details, too, have been perfected so that a mini-

mum amount of labor is required in the field. Savings are made by the use of a large proportion of low-cost shop-made materials—for example a 25% increase in field labor on the skeleton of the structure means only a 2% increase in the cost of the building.

Austin Standardization has greatly offset advancing costs. The use of the latest machinery and methods of construction has also lowered the cost. Here are nine outstanding reasons why building costs are low today under the Austin Method.

1 Essential materials, such as structural steel, steel sash, glass, etc., have been purchased at low prices—savings shared with the owner.

2 Austin Buildings are designed for economical construction without the use of excess materials.

3 Standardization means lower labor costs in the shop and in the field.

4 Every Austin building is a profitable investment because of its adaptability to a variety of manufacturing purposes.

5 A saving in building time saves you money. Your building will be ready for useful occupancy in 30, 60 or 90 working-days, depending upon the size.

6 Fifty years of building experience applied to your problem means additional savings.

7 Austin Standard Buildings or special modifications of them meet every industrial need.

8 Austin localized, yet country-wide, building service is available through 13 Austin Branch Organizations.

9 Austin Building Service is a complete service including layout design, building and equipment, which can be handled under one contract and with unit responsibility.

Under the Austin Method you can profitably make extensions to your present facilities whether a complete new plant, a branch plant or an addition is needed. Consultation with Austin Engineers involves no obligation. Phone, wire or use the coupon.

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DETROIT
SEATTLE

PITTSBURGH
BIRMINGHAM

PHILADELPHIA
PORTLAND

THE AUSTIN COMPANY OF CALIFORNIA, SAN FRANCISCO AND LOS ANGELES
THE AUSTIN COMPANY OF TEXAS, DALLAS

AUSTIN

ENGINEERING-BUILDING-EQUIPMENT

THE AUSTIN COMPANY, Cleveland

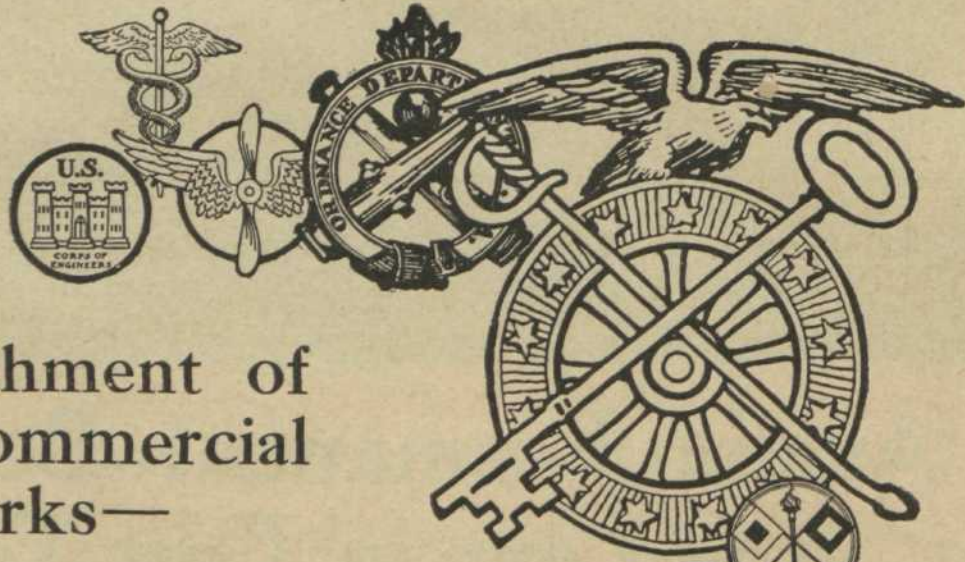
We are interested in a..... building
Approximate size..... stories high.
Please tell us more about low-cost Austin Buildings and send
us a copy of your booklet, "Multistory or Single Story—
Which?" Also send us a copy of the new Austin
Book of Buildings.

Firm.....
Individual.....
Address.....

N. B.-623



16 G.A.



A Detachment of New Commercial Trademarks—

As army insignia they have all the dignity of age. Since November 11, 1918, they have acquired a new significance for merchants, for industry, and for the civilian consumer. They have earned a place in the economic structure of peacetime as commercial trademarks.

That place is temporary, it is true. The only motive for the War Department's present sales enterprise was the desire to prevent complete loss of its investment in supplies which could not be used by the peace-strength military establishment. Its course has been fully justified by the recovery, up to date, of over a billion dollars of taxpayers' money.

"Peace hath her victories," and this commercial campaign, from the business man's viewpoint as well as from that of the taxpayer, should be chiseled in the Arch of Triumph of the Great War. An overwhelming surplus of material has been turned into the channels of trade and production without disturbing normal competitive markets, and with the satisfaction of sound value to the buyer.

Trademarks are known to the modern buying public as virtual guarantees of a certain standard of quality. They are the emblems of "goodwill." Behind the War Department insignia as trademarks, lie the goodwill and good faith of the government of the United States. Whether the inspector's marks actually appear on the goods or not, when you buy from the government you are secure against misrepresentation.

Many firms in many fields have bought from the War Department in the last four years. Red tape has been valiantly cut. When property is sold by sealed bid or at auction, catalogs are supplied, and previous inspection is made as easy as possible. Ample time is allowed for financing every sealed bid purchase.

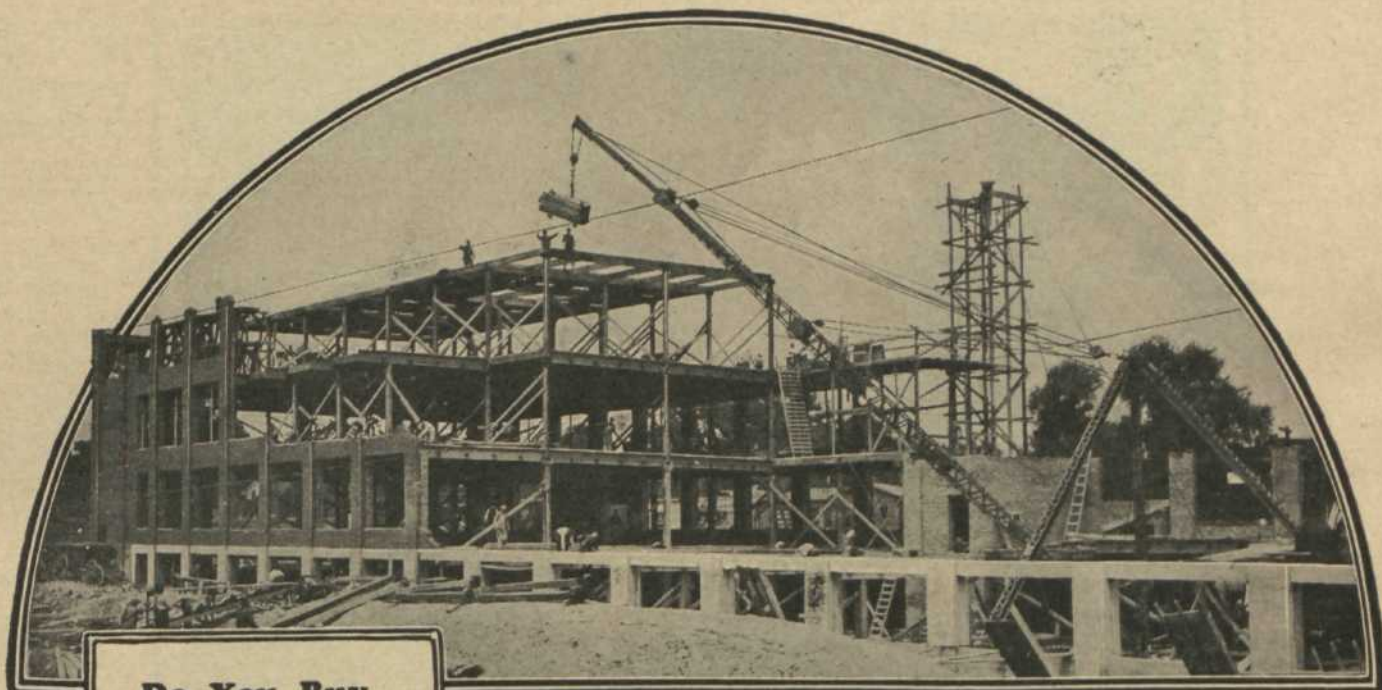
The selling program for the next few weeks is shown in the panel. If you are likely to be interested also in later sales, write to Major J. L. Frink, Chief, Sales Promotion Section, Room 2515, Munitions Bldg., Washington, D. C., to place your name on the mailing list for catalogs.

U.S.

WAR DEPARTMENT	SELLING PROGRAM
<p>JUNE</p> <p>Dates Subject to Change</p> <p>June 11.—Land, Buildings, etc., Seven Pines, Va., Auction. For proposals write Danford-Bliss, Official Auctioneers, 616 Washington St., Buffalo, N. Y.</p> <p>June 12.—Q. M. Supplies, San Antonio, Texas, Auction. For catalogs write Q. M. S. O., Fort Sam Houston, San Antonio, Texas.</p> <p>June 13.—Buildings, etc., Penniman, Va., Auction. For catalogs write Danford-Bliss, Official Auctioneers, 616 Washington St., Buffalo, N. Y.</p> <p>June 18.—Buildings and Improvements,</p>	<p>Camp Grant, Ill., Auction. For proposals write C. O., Camp Grant, Ill.</p> <p>June 20.—Q. M. Supplies, Chicago, Ill., Auction. For catalogs write Q. M. S. O., Chicago General Intermediate Depot, 1819 West Pershing Road, Chicago, Ill.</p> <p>June 23.—Air Service Supplies, Middletown, Pa., Auction. For catalogs write C. O., Air Reserve Depot, Middletown, Pa.</p> <p>June 28.—Q. M. Supplies, Brooklyn, N. Y., Auction. For catalogs write Q. M. S. O., N. Y. General Intermediate Depot, 59th St. and 1st Ave., Brooklyn, N. Y.</p> <p>The Government reserves the right to reject any or all bids.</p>

Write for any of these catalogs which interest you

WAR DEPARTMENT



A Ferguson Building under construction for The B. L. Marble Chair Co., Bedford, O.

Do You Buy Buildings at Wholesale or Retail Prices?

The contractor operating on a limited scale is necessarily a "retailer", adding an over-head and profit to the price he pays for materials.

The H. K. Ferguson Co. buys materials direct from producer and assembles them in your building, adding one over-head and one profit only—instead of three—and guarantees your cost in advance.

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Don't!

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Are Your Designs Guaranteed?

Intensive industrial specialization supplemented by a checking and control system which virtually eliminates error, makes possible the Ferguson Design guarantee—

"To save the owner harmless from errors in design or construction and to guarantee for one year against defects in materials or workmanship".

In Other Words

—the Ferguson plan of combined design and construction centers and shoulders full responsibility for proper performance. And then triply guarantees the result.

Write, wire or 'phone for full details (no obligation).

THE H. K. FERGUSON COMPANY

Design and Construction of Heavy Industrial and Railroad Projects

HAROLD K. FERGUSON, President

6523 Euclid Avenue

CLEVELAND

Telephone Randolph 6854

Ferguson

ONE OF AMERICA'S BEST BUILDERS



Reproduction from a painting in oil, by Frank Swift Chase, of the estate of L. F. Loree, at East Orange, N. J.

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What is real Tree Surgery?

Among prominent persons and institutions served by Davey Tree Surgeons are the following:

A. BARTON HEPBURN
HON. CHARLES R. CRANE
ROBERT GARRETT
HENRY CLAY PIERCE
JULIUS H. BARNES
FISHER BODY CORPORATION
AMERICAN ROLLING MILLS CO.
SOUTH SIDE SPORTSMAN'S CLUB
PHILLIPS EXETER ACADEMY
AMERICAN TELEPHONE & TELEGRAPH CO.

TREE surgery that *saves* trees—real Tree Surgery—is vastly more than a matter of mechanics, of cement and iron. As in dentistry, mechanical skill is of the highest importance, but it must be based on an intimate knowledge of the anatomy and physiology of tree life. Trees cannot be “repaired” as carpenters repair houses.

John Davey's art is the art of the *living* tree. To a study of its ills—disease and decay and insect enemies—he has dedicated himself for nearly a half century. Collaborating with him in these later years is a modern research laboratory, headed by competent scientists, devoted to the solution of problems, new and old, as they relate to the perpetuation of tree life. In conjunction with this is the Davey resident school, where Davey Tree Surgeons are thoroughly trained in their difficult science. It is the only school of its kind in the world.

Because Davey Tree Surgery is based on a true understanding of the laws of tree life, it is scientifically accurate as well as mechanically perfect. It saves your priceless trees without guessing or experiment. There is no substitute for it—either in correct methods or reliable men. Its dependability has been proved to more than 18,000 clients, for whom over 400,000 trees have been treated and saved, covering a period of more than twenty years.

Davey Tree Surgeons are near you—if you live between Boston and Kansas City or in California. Write or wire nearest office for examination of your trees without cost or obligation.

THE DAVEY TREE EXPERT CO., Inc., 3706 Elm Street, Kent, Ohio



JOHN DAVEY
Father of Tree Surgery

Branch offices with telephone connections: New York, Astor Trust Building, Fifth Avenue and 42nd Street; Boston, Massachusetts Trust Building; Philadelphia, Land Title Building; Baltimore, American Building; Pittsburgh, 331 Fourth Avenue; Buffalo, 110 Franklin Street; Cleveland, Hippodrome Building; Detroit, General Motors Building; Cincinnati, Mercantile Library Building; Chicago, Westminster Building; St. Louis, Arcade Building; Kansas City, Scarritt Building; Los Angeles, Garland Building; Montreal, 252 La Gauchetière, West.

DAVEY TREE SURGEONS

Every real Davey Tree Surgeon is in the employ of The Davey Tree Expert Co., Inc., and the public is cautioned against those falsely representing themselves. An agreement made with the Davey Company and not with an individual is certain evidence of genuineness. Protect yourself from impostors. If anyone solicits the care of your trees who is not directly in our employ, and claims to be a Davey man, write headquarters for his record. Save yourself from loss and your trees from harm.

Through the Editors' Spectacles

CONGRATULATIONS from many friends on our arrival at the 100,000 mark were warmly received—with thanks. They came from far and near—from Judge Thomas Burke, of Seattle, and Congressman Albert Johnson, from old friends who have been with us since the early days and new ones of scarcely a year's acquaintance. Mr. E. A. Filene, of Boston, wrote that since he was about the first subscriber, he wanted to bring in a friend as the 100,000th; Mr. E. A. Bissell, of Atlanta, said the announcement of 100,000 made him regret that he has known the magazine less than a year. Being human, we don't mind admitting that we enjoyed these expressions very much, and hope to merit another batch when our next mile-stone is reached.

IT IS an event in the publishing world when a mass publication reaches its first million. It is likewise an event when a class magazine reaches its first 100,000. Particularly is this true when the class magazine is devoted to economics, "the dismal science," and to business in its national phase in a nation just emerging from the conquest of its own door-stoops.

They said it couldn't be done, the wise ones, in the beginning. "Where is there an economic journal with more than 15,000 readers? Executives don't want serious discussion of business; they want fiction, not facts; they get their economics through their skins, not through their heads; and business men are a well-known institution, and must be drawn out of their dull, dry-as-dust lives by stories of adventure and love and magic. Captains of industry are hard and unimaginative, and what they need and want is a fiction-writer to fabricate pretty romance for them, else they will all die of dry rot!"

SO, WHEN we set about to fashion our first number seven years ago this month, it was with certain misgivings. What a picture our publishing friend had painted! A Nation of Tired Business Men!

Could it be possible that business men who had made their nation great through mastery of methods and practice had done it in drudgery, without zest, without enthusiasm? Was it possible that men who had advanced the standards of living of millions of people by their imagination and resourcefulness had watched the clock to get away from business "cares and worries?"

We believed otherwise, and, acting on the belief, searched for and found much of romance and adventure and contest in everyday business. We wrote of foreign exchange and warehousing and bills of lading and terminals and standardization as one business man would talk to another, and found our readers liked it done in this human sort of way.

We found we could get the biggest men in government and industry to write for us when we gave them subjects in which they were interested and told them to cut out the literary flourishes and say it straight from the shoulder.

Readers came back for more. And many brought their friends with them.

SO THIS magazine, built in the belief that the average business man was a little

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Vol. 11

THE NATION'S BUSINESS

No. 6

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As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber. But in all other respects, the Chamber is not responsible for the contents of the article or for the opinion to which expression is given.

above the average, and was, first of all, a human being, prospered. The ever-widening demand on the part of business men for a knowledge of the fundamentals of commerce and industry from a national point of view is responsible for this growth. There was a

waiting acceptance for a publication that had faith in the stability and sanity, humanness and imagination, of American business—a magazine that was authoritative in character, national in scope, idealistic in spirit and holding strongly in the belief that if it is not

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of**



Uncle Sam's Voters

It is a national, non-profit federation
with local assemblies—organized re-
gardless of political affiliations—to
awaken and sustain a lively and an in-
telligent interest in American govern-
ment through group meetings and the
official magazine, **PUBLIC AFFAIRS**.

UNCLE SAM'S VOTERS are to be
organized in every city and community
on the basis of the inspired words of
Samuel Adams in 1772:

*"Let us converse together, and open our
minds freely to each other. Let every town
assemble. Let Associations and Combina-
tions be everywhere set up to Consult and
Recover our just Rights."*

Ira Nelson Morris has resigned as
Minister to Sweden to be president of
UNCLE SAM'S VOTERS. Ex-Con-
gressman James W. Good and Mary
Lee Adams are vice-presidents; G. B.
Wayland is secretary.

Samuel Adams of Chicago, farm paper
editor and president of the American
Agricultural Editors Association is
Director General. An advisory board of
100 citizens is being selected. Explana-
tory booklet on request.

\$200 for an Opinion

UNCLE SAM'S VOTERS will award
five prizes ranging from \$100 to \$10
for the five best letters on the follow-
ing subject: **"Why I am joining
UNCLE SAM'S VOTERS"**

Send us the reasons that appeal most
strongly to you for joining **UNCLE
SAM'S VOTERS**. Anyone is eligible
to compete. Contest ends June 30, 1923.

GET IN AT THE START:

The first applicants can choose their
own territory. Sign your name and—

MAIL THIS COUPON NOW

Samuel Adams, Director General
UNCLE SAM'S VOTERS,
Citizens Bank Bldg., Washington, D. C.

Kindly send me full information concerning the
opportunities for making money by assisting in
the organization of **UNCLE SAM'S VOTERS**:

Name.....

Address.....

Reference:.....
(115)

for the public good, it is not for the good
of business.

A JERSEYITE dropped in the office the
other day. We got to talking about
Congressman Underhill's article on How
Government Bureaus Grow.

"Do you know," says he, "we have eighteen
doorkeepers on the payroll at our State Cap-
itol at Trenton?"

"I was over there the other day and
counted the doors, and there are only four.
I cudged my brain quite a bit in trying to
work out the mathematical division. Four
into eighteen won't go—four shifts of four
hours with four men on duty at the same
time, each man serving an hour at a stretch—
no, that leaves out two men. How do you
make it out?"

You can't make it out. It's politics. You
can't solve a political problem by arithmetic.
In politics you multiply the offices, divide the
spoils, subtract from efficiency, and add to
the taxes.

HEREWITH a tardy acknowledgment to
King Tut.

A few years ago this magazine gave Doc
Crumbine, of Kansas, credit for originating
the phrase "swat the fly." It now develops,
as the tomb yawns, that the credit is not
his. Sundry and suggestive fly swatters
found among King Tut's treasures are evi-
dence that this astute ruler, ready and re-
sourceful to meet possible unrest, floated
into office with "swat the fly" as the main
plank in his campaign to clean up the banks
of the Nile.

Sorry to take this away from Dr. Crum-
bine, but we still leave him the credit for the
10-foot bed sheet law, the individual drinking
cup and putting an end to the roller towel.

WHAT do you think of this statement?

There is a radical distinction between con-
trolling the business of government and
actually doing it. The same person or body
may be able to control everything, but cannot
possibly do everything, and in many cases its
control over everything will be more perfect
the less it personally attempts to do.

It was written fifty years ago by John
Stuart Mill and is found with other real
medicines for present-day ills in his "Rep-
resentative Government."

"WHO will sew up the hole in the nation's
pocket?" writes T. Rogers Lyons, of
Lansing, Michigan, referring to the article
by Congressman Underhill in our April issue.
Mr. Lyons goes on to say:

The state is the sovereign power—the com-
mon people rule—and we are now in the era
of "less government in business, and more
business in government." Here is the ultimate
of power and platitude.

Yet the cost of government is outrageously
high.

Municipal costs, state costs and nation's costs,
and while the press and the economic maga-
zines and some newspapers cry out to high
heaven that such things be, it seems but a new
adaptation of the old adage, "If you help
yourself, Heaven will help you; if you do not
help yourself, Heaven help you."

Still costs of being governed are outrageously
high.

And how can the people help themselves?
They are the ultimate and supreme power,
yet they can do nothing to stop this orgy of
extravagant government.

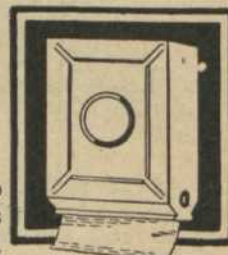
THE NATION'S BUSINESS, as compared with
other publications, is only one ten-thousandth
efficient; this writer is only one one-hundred-
and-fifteen-millionth efficient, in reaching a
sensible result, and all either of us can do is

NIBROC

The Perfect Towel



Always fresh and clean.
Grateful to the skin.
Soft and absorbent,
and so stoutly made
that **ONE WIPES**
DRY leaving the
skin free from
lint or fuzz.



Beautiful
White Enamel
Steel Cabinet

Holds more than 300
towels, and delivers
but one Nibroc Towel
at a time, and that towel
comes fresh and clean direct to your hands.

In color **NIBROC** is a rich
brown like unbleached linen

Brown Company

Founded 1852

PORTLAND, MAINE, U. S. A.

New York
St. Louis

Atlanta
Chicago

Pittsburgh
Minneapolis

This square cooler uses 25% less ice

By using whole cakes
of ice Jewett Water
Coolers perform a
double economy;
eliminate both the
waste of cracked ice
—and the time and
labor of cracking it.

Installed in connec-
tion with the regular
water system Jewetts
hygienically provide
a constant supply of
refreshing, cooled
drinking water—that
energizes your work-
ers and stimulates
production.

Send for complete infor-
mation and direct from
factory prices.

The
Jewett Refrigerator Co.
Established 1849
25 Chandler St., Buffalo, N. Y.



JEWETT

Square Water Cooler

Uses 25% less ice

talk. Some will listen, but after that, what then? Why, the next issue will be something else. This publication can do nothing, this writer can do nothing to bring about a sane expenditure in government.

But a congressman in the U. S. Legislature is, or should be, one five-hundredth efficient, in making some progress in the reduction of the cost of government, and it does seem that if Charles L. Underhill had put in as much time in convincing the Government that it was top-heavy in the expense account as he has in convincing business and the editors of THE NATION'S BUSINESS, he might have gone a long way in reducing the high cost of government.

It's very queer to this reader that all of the argument for economy in government is made in the printed pages and in congressional vacations, in place of being made on the floor of the House of Representatives at Washington, D. C.

Editors know, we readers know, the common people know, that the cost of government is alarmingly high—the only force that doesn't seem to know it is "our servants in Congress assembled."

THE Eighteenth Amendment and the accompanying Volstead Act have left the editor in this country with no such problem as confronts Mr. M. N. Cama, B.Sc., who sends us from Bombay "The Asian Printers' and Stationers' Annual, Diary and Directory, 1923." In it we read:

A CASE OF CHAMPAGNE

A few days before the festive season started, a coolie brought a case of champagne—a new brand, most probably—with a request from the importers to give our opinion on the same. Our stenographer was busy the next moment scribbling our reply in the negative. We were sorry to disappoint the firm of importers, but we had two strong reasons for such behavior: (1) that we went dry ever since our birth and (2) it was beyond the scope of this publication for reviewing liquid intoxicants. If the wines were being mixed with printing inks for easy rolling—as they are easy rollers for human beings—we would have readily accepted the case.

THE Better Business Bureau, about which Mr. Kirstein writes so entertainingly in this number, in a recent investigation of a certain real estate development, chanced upon a very thoroughgoing swamp that was not to be found on the promoters' maps. Inquiring as to the general reputation of the swamp, the investigators got this from a native of the section:

"Well, it might be that a couple of mosquitoes could live around there—if one of them was a doctor."

"IF IT is true," writes Irvin F. Paschall, of Chicago, "as you say, that distribution is going to be the big problem ahead of this country the next couple of decades, why would it not be intelligent to suggest through your columns that courses in retail distributing be established in colleges, so that future business generations might be educated early in life to get the right slant on distribution problems?"

Respectfully recommended as suggested.

A FRIEND writes that our insurance articles are intensely interesting and suggests that before we get through, we ought to have something to say about the peculiar and unusual forms of insurance. Says he:

Do you happen to know that more than one hotel, restaurant, bakery, cannery and other makers and sellers of foodstuffs have become business casualties in the past because someone bought their product and after eating it died from some sort of poisoning due to chemical



ARE you going to Europe this year? Now is the time to make your plans. Naturally you will wish to investigate American ships. They are among the finest and fastest afloat. The first class ships are:

President Harding
George Washington
President Roosevelt

These sail from New York on Saturdays. Shortly there will be added to their number the great LEVIATHAN, the largest ship in the world—first sailing July 4th.

In addition there are eight splendid cabin ships, five in the London service sailing each Wednesday and three in the service direct to Bremen.

Fill in the information blank below and mail it to the United States Shipping Board and learn in detail about your ships. Americans who have travelled on them are unanimous in their praise.

INFORMATION BLANK	
To U. S. Shipping Board	
Information Section	S.S. A211 Washington, D. C.
Please send without obligation the U. S. Government Booklet giving travel facts and also information regarding U. S. Government ships. I am considering a trip to Europe <input type="checkbox"/> , the Orient <input type="checkbox"/> , to South America <input type="checkbox"/> .	
If I go date will be about _____	
My Name _____	
My Street No. or R. F. D. _____	
Town _____	State _____

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PARCEL POST

Policy No. **Db 13673- 18**
Insurance Company of North America
 PHILADELPHIA

In consideration of the premium hereinafter named, and other conditions stipulated in the policy from which this certificate has been detached, hereby insures the property contained in the package or described in the invoice, with which this certificate is mailed, against loss or damage, including theft, pilferage and breakage, as provided in the policy. Loss, if any, payable to Assured named in the above mentioned policy.

will it arrive safely?

RISKS of transportation—accident, theft, breakage—endanger every Parcel Post shipment you make. Insure against loss from lost shipments.

A coupon from a North America Coupon Book wrapped in your package insures it. The stub entry is your shipping record. Claims settled promptly.

Insurance Company of North America PHILADELPHIA

"The Oldest American Fire and
Marine Insurance Company"

MAKING SHIPPING SAFE FOR SHIPPERS

Insurance Company of North America, Third & Walnut Sts., Philadelphia, Dept. N-6

Name.....

Street.....

City.....

State.....

Wants Information on Parcel Post Insurance

Founded
1792



Pin this coupon to your letterhead

reaction which had taken place in the product?

The heirs, of course, sued the maker and in many instances got heavy damages which greased the slides to bankruptcy.

An insurance company has been formed in New York for the express purpose of issuing this poison pie insurance. There must be other entirely new forms of insurance just as unusual.

SPEAKING of deflation reminds me of some figures Mr. J. A. Gawthorp, of Richmond, Virginia, sent in the other day showing how much business suffered by fire losses and failures during 1921 and 1922. Here they are:

	1921
Fire.....	\$332,654,950
Failures.....	755,777,685
	\$1,088,432,635
	1922
Fire.....	\$410,889,350
Failures.....	646,955,633
	\$1,057,844,983

And that billion out of an estimated total national income of 60-odd billion! And the fire losses the greatest per capita of any country in the world and growing! Here's a real job for a reformer temporarily without a mission—how to reduce the drain upon industry of these conflagrations.

WE HAVE today an army of youth pressing into the colleges, so great that the colleges cannot deal with them efficiently. Many of these young men and young women would find their greatest usefulness and their greatest happiness in other vocations than those to be sought through college attendance, and there is more need today to make clear what these opportunities are and to whom they are especially fitting, than to urge upon all the youth of the country the advantage of college attendance.

Mr. Henry S. Pritchett, formerly president of the Massachusetts Institute of Technology, is speaking in the annual report of the Carnegie Corporation, of which he is the acting president.

Too much pressure into college, too many men struggling into the professions and into lines of business which seem fitting for the college graduate to enter. Too many who are striving for the black coats of law or medicine, too many white-collar men.

So it would seem if we read Mr. Pritchett fairly, but where have we been hearing that there are too many retailers, too many grocery-store keepers, too many dealers in shoes? We know, of course, that there are too many wholesalers, too many middlemen. We have long been told that even one middleman is too many.

In fact, there are too many of us all except the pick-and-shovel man. Him the United States cries out for.

But also—and alas!—no one wants to be a pick-and-shovel man. Who would act as chauffeur of a wheel-barrow when he could drive a ten-ton truck? And who would drive a ten-ton truck if he could boss a gang of men?

The son of today's pick-and-shovel man is the engineer of tomorrow. And if the man of the day after tomorrow, the engineer's son, is neither engineer nor engineer's equal, he at least does not go back to the pick and shovel.

No one wants to be at the bottom, strange as it may seem; and if we import muscle today, it tries to be brain tomorrow.

Perhaps a better arranged world will get along without pick-and-shovel men. It needs no long memory to see the building excava-

John Hancock made the signature famous by signing the

Declaration of Independence

THE SIGNATURE has been made a Household Word by the

John Hancock
 LIFE INSURANCE COMPANY
 OF BOSTON, MASSACHUSETTS

Chartered in 1862, in Sixty-one Years it has grown to be the

Largest Fiduciary Institution in New England

An Endowment or Income-for-Life Policy is the Policyholder's

Declaration of Independence

A sincere desire to render service is essential to the success of any sales letter.

Donley D. Lukens

writer of

Successful Sales Letters

4908 Laclede Ave., St. Louis, Mo.

Starting a Company?

Save expenses and taxes by organizing on the popular, COMMON LAW plan under a pure DECLARATION OF TRUST. No experience required to fill in DEMAREE STANDARD FORMS, issue shares and begin doing business at once. Genuine DEMAREE FORMS are nationally known, approved by attorneys and utilized by successful concerns throughout the United States. Send for large, free pamphlet (D-14) containing valuable information that you may need. C. S. DEMAREE, legal blank publisher, 708 Walnut, Kansas City, Mo.

MAIN and COMPANY Accountants and Auditors

PITTSBURGH HARRISBURG
 NEW YORK PHILADELPHIA

INCORPORATE IN ARIZONA

Least cost. Greatest advantages. Cost not affected by amount of capital. Transact business and keep books anywhere. Stock made full paid and non-assessable by using our forms. Laws, blanks and directions free. Stockholders are exempt from corporate liability.

STODDARD INCORPORATING CO.
 DEPT. 3 - - - PHOENIX, ARIZONA

tion of our youth, when a swarm of men with shovel filled a truck with dirt and straining horses dragged it up the rattling board incline.

Now a steam shovel guided by one intelligence drops in one operation a load into a gas-driven car that another single intelligence directs. And the job is done in a fraction of the time at a fraction of the cost.

"OUR business is fast going to the dogs," brought us up with a start until we learned that the writer of the clever circular was a dog-collar manufacturer.

OUR gentle essay on the post-office pen as the best argument against government ownership has brought many and varied responses. The first came from the Fourth Assistant Postmaster General, Mr. H. H. Billany, in the form of a letter in which he said:

No doubt there has been some foundation for the adverse criticism of the pens used in some of our post-office lobbies. No doubt, too, the writer used the post-office pen to strengthen his argument against government ownership on the theory that all post-office pens in all post-office lobbies are bad ones. That may have been true years ago, but I am sure that the author will now find, if he chooses to investigate, that the great majority of post offices have lobby pens that would be a credit to any banking institution.

We want you to know that postmasters have been instructed to keep their lobby pens in good condition and that every one of the 50,000 or more postmasters are again being instructed to give this matter the careful attention that it deserves.

On its heels came an official bulletin from the Post Office Department calling attention to our humble paragraph and urging upon all postmasters to give the lie direct to the editor who libeled the post-office pen.

Came next a copy of the *Journal of Commerce* for April 23 with an article "blue ringed" wherein under a headline

RENDERS JUSTICE TO GOVERNMENT

it is recorded that President Edson S. Lott, of the United States Casualty Company, having circulated the product of our pen in his campaign against government ownership, has now sent out a disclaimer from Mr. Billany.

Came next a letter from Henry C. Walker, enclosing a booklet, "The Pens in the Post Office." Our idea was his, he points out, but he was gracious enough to welcome a spreading of the thought even if he thought it before we thought it.

So it appears that we borrowed our idea, but, on the authority of the United States Government, the idea was not worth a darn. Any reader who cares to may figure out our responsibility.

HAVING written the foregoing, and thinking the incident closed, comes now another letter from a New England manufacturer:

You didn't go far enough. Not only are all post-office pens incapable of service, but the ink found in the post-office lobby is either thin and watery or the neck of the bottle caked so thick that the pen won't go into it to find out if there is any ink at the bottom. Did you ever try to write an application for a money order on the rotten blotting paper they give you to fill out? It simply can't be done. God help the users of public writing paraphernalia when the Government takes over the banks and hotels.

So there the matter rests.

M.T.

Say *Webb* When You Buy Filing Equipment, Guide Cards, Index Cards and Vertical Filing Folders

Wherever you are the progressive dealers can supply you with *Webb* Standard Made, Standard Priced, Superior Articles of merit for your office requirements. Prices quoted apply in North Central and Eastern States. A little higher in the South, Southwest and West. See Coupon below.



Two Drawer and Multiple Card Index Cabinets

The ideal equipment for Card Filing Systems requiring space for more than 1400 cards and designed to take care of unlimited requirements. Top Sections are complete two drawer files. Buy Bottom Sections for placing under Tops as filing needs demand. Eight drawer stack with base (at left) for about 12,000 3 x 5 cards, finished Natural Quartered Oak or Imitation Mahogany \$23.25; 4 x 6 card size, \$26.75; 5 x 8 card size, \$31.25; 6 x 9 card size, \$35.50.

Single Drawer Card Cabinets

For Card Filing Systems that will not require space for more than 1400 Cards and Guides. Made from the very best grade Quartered Oak finish, Natural or Birch

Oak

3 x 5 \$3.40 4 x 6 \$4.20
5 x 8 \$5.00 6 x 9 \$5.80



in Mahogany finish. All drawers equipped with easily adjusted steel follow blocks to keep contents in vertical position. Drawers can be quickly removed from cabinet by slight upward tilt. Investigate the *Webb* Card Cabinet line before you buy.



Fibre Board Card Trays

Made of heavy binders board; edges reinforced with strong material. Outside covered with imported black and white glazed agate paper. Capacity about 1200 Cards. No. 35, 3 x 5 size 60c.; No. 46, 4 x 6 size, 75c.; No. 58, 5 x 8 size, \$1.00; No. 69, 6 x 9 size, \$1.15; No. 49, Check size, \$1.00.

The *Webb* Manufacturing Company, 92 Union St., Monroe, Mich., (New York, 52 Park Place)

Send Your New Revised Booklet

Filing Suggestions

And Big Catalog Free to



Webb No. 1924 Four Drawer Oak LETTER FILE

\$24 FREIGHT PAID

In Eastern and Central States

The New *Webb* 1900 Line Letter and Cap Files, three and four drawers high, finished Light Natural Oak or Imitation Mahogany or Walnut are priced \$4.00 to \$6.00 less than you would expect to pay when compared with other lines. Investigate this line before you buy.

Be Sure To Write Complete Address

THROUGH THE LONG PROCESSION of NATIONAL EVENTS

During the panic of 1837, The Bank of America never ceased to pay its depositors in gold. Again in 1841 and 1857 this bank continued specie payments.

Not only were the financial disturbances of 1869, 1873, 1884, 1893 and 1907 successfully met, but as time progressed, the position

of the bank was strengthened by consistent, uninterrupted service to customers.

Today the resources of this bank are more than \$100,000,000.



THE BANK OF AMERICA

ESTABLISHED 1812

44 Wall Street, New York





Labor Saving

More than forty years ago Brownhoist began its service of labor saving. At that time the big increase in demand for steel presented a serious handling problem to the operators of ore vessels. The pioneer efforts of the Brownhoist organization revolutionized ore handling methods and made it possible to unload lake boats in one-fifth the time previously required.

Brownhoist since has developed an almost endless variety of material handling machinery. Our engineers have successfully designed time and labor-saving equipment for hundreds of different handling problems. Today Brownhoist equipment sets the standard wherever speed in operation and economy of installation and maintenance are essential.

The wide experience and advice of Brownhoist conveying and hoisting engineers are available to any executive interested in reducing his handling costs.

Brownhoist Products

*Heavy Dock Machinery
Locomotive Cranes
Monorail Trolleys
Concrete Bunkers
Chain Conveyors
Belt Conveyors
Coal Crushers
Bridge Cranes
Buckets, etc.*

Literature on request

The Brown Hoisting Machinery Co., Cleveland, Ohio

Branch Offices: New York, Chicago, Pittsburgh, San Francisco, New Orleans

BROWNHOIST

M A T E R I A L H A N D L I N G M A C H I N E R Y



Alice in Modernland

The Sixth of a Series on Distribution

By WM. A. DURGIN

Of the Department of Commerce

*"The time has come," the walrus said,
'To talk of many things,'"
Of ships and milk and paving bricks,
Of beds and piston rings.*

POOR, Victorian Alice, your advent was so premature! If you had but waited till today and gone adventuring in this land of the free initiative, you would not have had to brave the looking-glass passage nor foregather with the lachrymose walrus to hear discourse of infinite variety. An easy entrance to Modernland through the plateglass door of any distributor, any manufacturer, would bring you to one who could talk at greatest length not only on many, but on emphatically too many, things.

And as this haphazard representative of American business developed his tale of countless diversities, with their resultant high prices, dead stocks, paralyzed investment and ramifying wastes, you'd find all your previous experience of absurdity receding to insignificance, and, more to the point, you'd get a clear view of one of the major causes of the enormous extravagance of every-day existence.

The extent to which this over-diversification has gone in Modernland is just beginning to gain the appreciation of those of us who are paying for the plethora, and once we get the "eliminating slant" we can find excess variety in every field.

One of the most striking examples comes from the hardware business in the particular instance of axes. Unless the present vogue of individuality in wood chopping has been brought to your notice, you probably think of an axe as the simplest sort of tool, but survey of the catalogs of three leading axe manufacturers shows that this primitive instrument is being offered by these three producers alone in 34 models, 4 qualities, 35 brands, 11 finishes and 19 sizes, or actually catalogued in 6,118 varieties.

Your morning's milk is being transported in 239 styles of can, only to be poured into sixty-odd shapes of milk bottles, fitted with 29 different sizes of paper cap; and the pistons of your automobile motor may be equipped with any one of 11,000 different sizes and types of piston ring.

A single manufacturer of bedsteads just before the war carried 901 designs; and one manufacturer of paper, up to a year or two ago, gloried in a line of over 2,000 varieties and brands, while in such a commodity as women's shoes, no one can state the full extent of variation. For a sample estimate, consider that feminine foot gear is manufac-

tured in widths and sizes totaling a range of 196 items, that any given style may be produced in 10 different materials, giving 1,960 varieties for one style in all leathers, fabrics, sizes and widths; then contemplate

With this article by the chief of the Division of Simplified Practice in the Department of Commerce, The Nation's Business series in distribution nears its end. One more article from the retailer's point of view remains.

But we are far from through with Distribution. Every article that we have used has suggested others. Has advertising no economic sins for which it must answer? Is its share in the cost of distribution all justified by greater convenience or lower costs to the consumer? Dozens of questions like these force themselves on our attention. With them and with other angles of the question we hope to deal.—The Editor.

the experts' enumerations of current styles, which range from 2,000 to 20,000 designs; and you arrive at a total of from 3,900,000 to 39,000,000 different shoes. Even if the fact is a mere million, it would seem sufficiently grotesque.

It really looks as though we were fast approaching such a conception of Modernland as Charles E. Howell has drawn for us here. Every detail of each house will be unique; each will have an individualized sidewalk design; no two shade trees shall even approximate similarity; the very cats will develop rare postures and expressions, while the men will attain that bizarre originality in dress already achieved by their fairer partners—all men, that is, with the exception of the police force, who in their wrath at uniform habiliments will arise in mutual annihilation!

The effects of such over-diversification are very well recognized, although frequently not assigned to their true source.

In the first article of THE NATION'S BUSINESS series on distribution Representative Sydney Anderson emphasizes the fact that this very distribution of modern products accounts for nearly 50 per cent of their cost. In the second, Mr. Weld notes the tremendous complication of the drug business resulting from over 40,000 varieties of proprietary articles, including some 1,200

varieties of pills, and the corresponding necessity for every wholesaler to maintain a large warehouse for the prodigious stocks required. Then, in the third article, written incognito by some keen woman critic, we find dilution upon the waste incident to mark-down sales and the serious questions which such events raise of the fairness of the original price.

All of these effects are traceable directly, and in major degree, to the ease and insistence with which more and more, and ever more, varieties are produced.

Mr. Anderson's enormous cost of distribution results to a considerable degree from the large investment in slow-moving sizes and styles, the extended shelf room, bin or floor space required for these items, the frenzied advertising of immaterial differences, the compilation of catalogs, records, workmen's and salesmen's education, which inevitably follow, and the misunderstandings and misrepresentations so easily incurred.

The primary basic condition for low cost in distribution is rapid turnover, and it can be insured only by a comparatively short line of reasonably standard and staple articles.

The costly practices in the drug business discussed by Mr. Weld are found as well in most other industries. The facilities of automatic machinery, making initiation of a new size or shape so simple; the trend of one branch of American advertisers who, lacking the ability to produce a convincing campaign based on quality and service, have taken the easier course of emphasizing trifling changes in size, color or shape as major values; and that ancient desire of mankind for "some new thing," have all combined to multiply kinds and sizes without regard to the accompanying unescapable and almost overwhelming incident wastes.

The marked-down, or below-original-cost sales are principally of non-staple goods, special sizes, novelty variations from established commodities, seasonal varieties of ephemeral styles; and the very real losses on such merchandise must be recouped in the prices of standard merchandise.

Despite the present prevalence of these results of the "diversificationists" dominance, however, the corrective school of thought is already waxing lusty, and under the banner of Standardization and Simplification is mobilizing for the elimination of all these avoidable wastes.

Beginning over a hundred years ago with the work of Eli Whitney and Mandsley in standardizing screws and other parts of machines to secure interchangeability, the

school of simplification has constantly grown in cumulative adherents and widened in cooperative action.

As an instance, take freight cars and incandescent lamps. It is now some forty years since the Master Car Builders' Association undertook to simplify and standardize the parts of freight cars, and today this work, continued by the American Railway Association, has resulted in elimination of some 95 per cent of the original variations.

Similarly in the early years of this century the manufacturers of incandescent lamps got together in adoption of a single-screw base in place of the twenty-six or twenty-seven different bases then in use. The wonderful convenience of being able to buy any lamp anywhere, knowing it will fit in the socket when we get home, has become so commonplace, we've hardly thought of it; much less have we considered the very large savings in costs of distribution and manufacture, the marked lowering in selling price, this constructive action has secured.

But however blind we may have been, the simplificationists will soon have our attention and support, as they are getting that of the more far-sighted producers and distributors.

The manufacturer of 2,000-odd varieties of paper noted above, has reduced his line to 56 varieties. A maker of piano benches and stools has eliminated 21 out of 32 styles of benches, and 14 out of 15 styles of stools. One of the leading canned-goods makers has reduced from over 200 varieties to 21, and, incidentally, increased the business sevenfold, while his distributors have benefited in proportion.

Even in some of the fields where style is a major factor, certain far-sighted leaders are simplifying. For example: One of the most prominent shoe manufacturers has recently reduced from 2,500 styles in three grades to 100 styles in a single grade; and on this retention of only 1.3 per cent of his former line has shown a most encouraging increase of business and decrease of cost to consumer.

The technical men, too, are getting the vision. Through the American Engineering Standards Committee, all the leading technical societies are working together with interested industrial groups and consumers' organizations to establish specifications and other standards of practice which shall give maximum quality at minimum cost.

During the war the work of the Conservation Division of the War Industries Board, under A. W. Shaw's inspiration, developed some of the most striking demonstrations of the advantages of simplification and standardization to every interest.

Continuing this activity, the Fabricated Production Department of the United States Chamber of Commerce, under E. W. McCullough's direction, has interested a large



BEFORE TAKING SIMPLIFICATION—

number of trade associations and individuals these last three years in applying, under peace conditions, similar methods for stabilizing business and eliminating wastes.

These wastes are so real, the opportunity for maintenance of our American living standards through their elimination so impressive, that Secretary Hoover now offers the active cooperation of the Department of Commerce with producers, distributors and consumers in voluntary mutual agreement to restrict production and demand to that comparatively small portion of any given line which meets the desire of the great majority. Some 80 industries are already interested in the new service which is carried on through our Division of Simplified Practice.

Why do we talk of Simplified Practice instead of Standardization? Well, largely because to the average man or woman "standardization" has come to have a restrictive, compelling, Prussian sound which at once arouses all their opposition. Speak of "standardization" to any one of these people, and they foresee a world as pictured in Mr. Howell's second drawing—one in which we shall live in identical houses fronting upon reticulated sidewalks ornamented by rigidly uniform shade trees; a world where the Rolls Royce and Ford shall differ only in dimensions; where we shall walk and dress with identity; where the dear ladies must sacrifice devotion to transitory style and express individual beauty through a standard hat bearing a standard feather in a standard

curve; where the standardized dogs shall be of color to match the single and universal clothing material; and where, with carefully controlled temperature and air currents, the smoke shall rise from every chimney at a fixed time in identical curlicues, only to condense in standard clouds at invariable speed.

Moreover, when people thinking along these lines hear of any governmental activity in standardization, they at once see those of us who are delegated to carry on, in the guise of policemen wielding heavy clubs over the unwary and enforcing acceptance of standardized decrees.

So under Secretary Hoover's inspiration we have carefully avoided talk of standardization, and emphasized solely the advantages of Simplified Practice—the adoption of fewer kinds, sizes and varieties in every-day business. Our functions are limited to getting all interested groups together for mutual discussion of the problem; to cooperation in surveying the facts of present practice; to publishing such recommendations for elimination as all interests may mutually and voluntarily accept; and to following the operation of these recommendations in anticipation of further conferences which shall modify the detail to meet current development.

The most effective work of the Division thus far has been in completion of the undertakings initiated by the Fabricated Production Department of the United States Chamber of Commerce, the two groups acting as natural complements. Any business or industrial association or individual burdened with excessive variety, certainly should investigate the possibilities of the service either through the United States Chamber or the Department of Commerce.

In all this activity there is no thought of restricting individuality or curtailing art, or interfering with that initiative and invention, which is such an important part of our American capabilities. The only object is to eliminate those useless and trivial differences which have so cluttered our producing, distributing and merchandising system, and in consequence have led to enormous wastes. No one, perhaps, can accurately evaluate the extent of these wastes, but an excellent argument can be presented showing the total must be of the order of several billions of dollars yearly.

The Simplification movement is gathering momentum. As understanding broadens of the significance of this approach to stabilizing industry and business, we shall see a very marked decrease in distribution cost and a notable increase in living standards. And so, Mistress Alice, if you are to enjoy the absurdity of our present Modernland, pass through the glass door quickly. Already the varieties lessen already there are perceptibly

fewer things to talk of. Ere long, under the compulsion of decreasing natural resources and increasing national intelligence, you will find on the other side of the door a land of quality, of stable progress, of lessened waste, and of widely distributed satisfaction, which you may recognize as Conserved America.

SOME RECENT STEPS

In dozens of industries the movement for simplification which Mr. Durgin describes above is moving rapidly ahead. Conferences aided by the Department of Commerce and the Fabricated Production Department of the Chamber of Commerce of the United States are being held every few days, at which agreements are reached to cut out needless sizes.

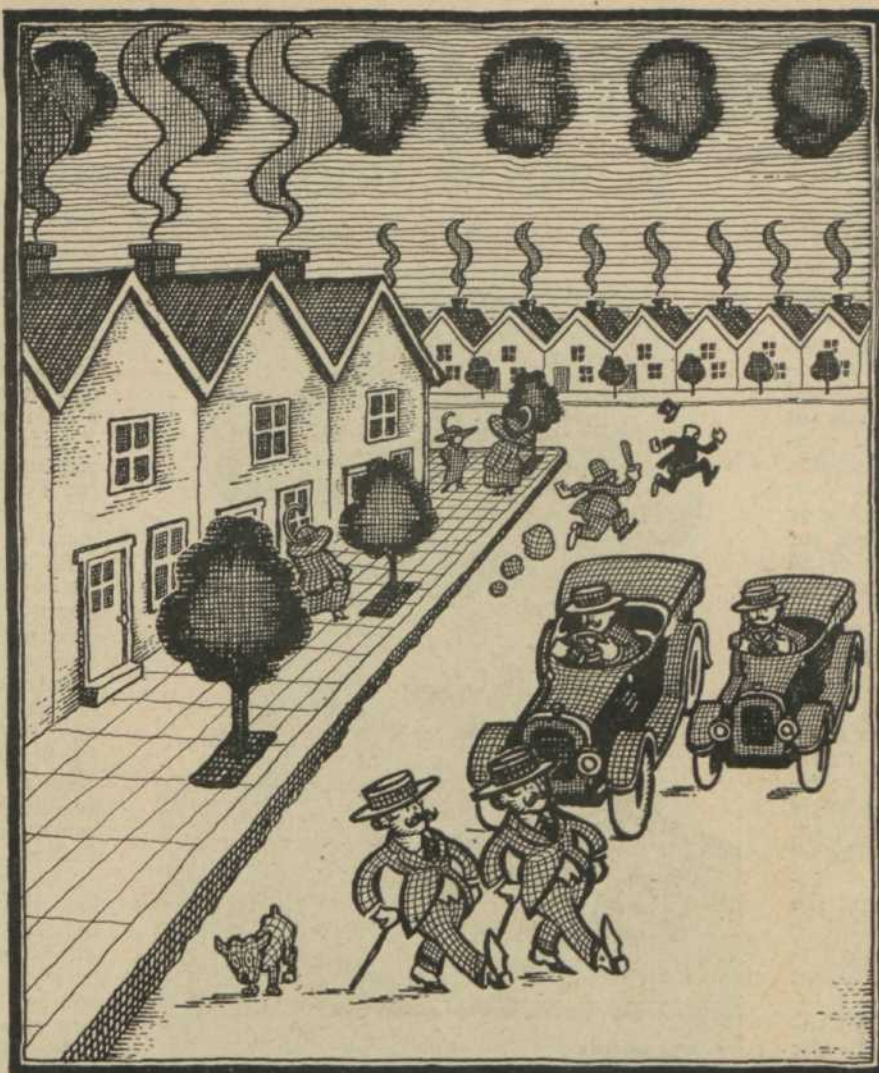
Take the humble friend of every family, the milk bottle. At a meeting it was decided to submit to vote of the International Association of Milk Dealers a resolution doing away with thirty sizes of milk bottles:

Quarts, from twelve to three
Pints, from thirteen to three
Half-pints from fourteen to three
Quarter-pints from ten to none

In addition, the milk bottle cap is to have but one size instead of ten. The men who make the milk bottles would like to go still farther and make but one size pint and one half-pint.

Take asphalt, which to the lay mind seems a thing capable of little variation. Manufacturers, highway officials and engineers are meeting to make more uniform the tests of penetration prescribed for road material.

Standardization—or simplification—move-



—AND AFTER

ments frequently find one obstacle, as Mr. Durgin points out, in the fear that they may lead to a product that will have a monotonous uniformity of appearance. That point bobbed up at a conference on automotive simplification. There it was decided first to work on such things as roller bearings, spark plugs, tires and batteries and to get manufacturers in agreement on standards

going into fresh fruits and vegetables, wooden box, cooperage, and wooden tubs and pails divisions.

These are but random instances of the widespread interest in the task of simplification. Range boilers, clay products, paint and varnish—these are some of the industries that are tackling this problem with the earnestness it deserves.—THE EDITOR.

The Convention Number

The Eleventh Annual Convention of the United States Chamber of Commerce has just come to an end as this, the June number of THE NATION'S BUSINESS, goes to press. In point of attendance and in importance of the speakers and what they had to say, no previous convention of the Chamber was more brilliant or more successful. So soon as this number of the magazine leaves the printing office for the mails, we shall begin work at once on a special number, to reach you in two weeks.

It will contain the addresses of the principal speakers at the general meetings as well as adequate reports of the most effective series of group meetings ever held by the Chamber. The number will also contain the progress reports of the special committees of the transportation conference.

Among the men whose names will make this number notable are:

Herbert Hoover, Secretary of Commerce,
Robert Masson, Director-General of the Credit Lyonnais of Paris,
Raita Fujiyama, President of the National Federation of Chambers of Commerce of Japan,
Julius H. Barnes, President of the Chamber of Commerce of the United States,
Willis H. Booth, President of the International Chamber of Commerce,
O. E. Bradfute, President of the American Farm Bureau Federation,
Representative C. A. Newton, of Missouri,

Roy D. Chapin, Chairman of the Board of the Hudson Motor Car Company,
W. N. Doak, Senior Vice-President of the Brotherhood of Railroad Trainmen,
Brig. Gen. Frank T. Hines, Director of the Veterans' Bureau,
Charles H. Markham, President of the Illinois Central Railroad Company,
Walter W. Head, First Vice-President of the American Bankers' Association,
Nelson B. Gaskill, of the Federal Trade Commission.

Those who attended this convention and those who did not will find in the contents of this number a summary of the most important meeting of business men ever held in this country, all of it of interest and much of it of permanent value.

The Fantasy of the "Living Wage"

By BEN W. HOOPER

Chairman, U. S. Railroad Labor Board

TWO THOUSAND years ago it was authoritatively stated that "the laborer is worthy of his hire," but no principles were laid down by which his hire could be practically and justly fixed. It may be said that the Golden Rule contains the essence of the principle for wage-fixing; but, while this rule might soften the asperities of industrial disputes, there would still be found occasion to use a lot of horse-sense in working out the complexities involved. Judge Alschuler, arbitrator in the Packinghouse case, said: "So far as I have been advised or know, there is no scientific method for accurate wage-fixing. In view of all the facts and conditions, I can only exercise my best judgment."

When Congress passed the Transportation Act, it did not authorize the Railroad Labor Board, in the first instance and on its own initiative, to fix wages for railway employees, as many people seem to think. The Act merely provides that a dispute between a carrier and its employees concerning wages shall be submitted to the Board, which must then hand down an "advisory" decision of such dispute. Prior to submitting the matter to the Board, the road and its employees have the fullest privilege of agreeing upon wages, and this right is being exercised almost every day just now.

For the guidance of the Board Congress said that, "among other relevant circumstances," seven factors or elements should be considered in the fixing of railway wages. Those factors are as follows:

1. The scales of wages paid for similar kinds of work in other industries;
2. The relation between wages and the cost of living;
3. The hazards of the employment;
4. The training and skill required;
5. The degree of responsibility;
6. The character and regularity of the employment; and
7. Inequalities of increases in wages or of treatment, the result of previous wage orders or adjustments.

In recent months it has been proposed that another principle shall be incorporated in the Transportation Act, namely, that of "the living wage." An amendment embodying this idea will doubtless be offered at the next session of Congress.

As to what the term "living wage" means, theoretically there is a variety of definitions. To some it means a mere "subsistence" wage; to others, a "health and reasonable comfort" wage; to others, a "saving" wage; and to still others, something else.

It is obvious that the term "living wage" is pleasing and acceptable to almost any man of proper social instincts and Christian spirit. I do not believe that I have ever heard a man on or off the Railroad Labor Board express antagonism to the effectuation and realization of all that this beneficent term implies. Indeed, its acceptance in this platitudinous form is so universal that it constitutes a most excellent political lollipop to roll under the delighted tongue of the aspirant for public office and popular favor. Even the most cautious candidate can afford un-



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The Labor Board was asked to fix for the unskilled worker a wage sufficient to maintain a family of five in health, decency and reasonable comfort—

hesitatingly and vociferously to declaim in favor of "a living wage," when everybody else is for it, in general terms.

I once knew a rough-necked politician in a Tennessee city, who was elected to the office of mayor. His strong point lay in the aptitude with which he seized and hugged to his brisket any new fad or theory that appeared to command some support and no opposition. On one occasion he happened to be in attendance at some sort of social or civic meeting of the ladies of his city, where one of the main topics of discussion was infant mortality. At the proper time the mayor was called on for a few remarks, and having sensed the unanimity of sentiment, he arose and with an impressive pose of statesmanship assured the ladies that he was unequivocally, unalterably and everlastingly

in favor of "infant immortality."

Not long since a galaxy of statesmen were called upon to state their views for a certain publication in Washington on the subject of the living wage, and particularly the alleged inhuman attitude of the Railroad Labor Board on this question. One of these gentlemen was the Hon. William Gibbs McAdoo; and with the owl-like gravity befitting a man who thinks he is running for President, he gave utterance to this ponderous economic thought; "How can life be sustained without a living wage?" In other words, "How can a man live unless he does live?"

As long as it is not incumbent upon one to do anything more than to shout a slogan that fairly reeks with unctuous solicitude for the toiler, he is secure against all risk. It is only when he is called upon to give practical application to such euphonious theory that his troubles begin. If the Railroad Labor Board could by the fiat of a decision make all men industrious, thrifty, productive, comfortable and contented, it would hasten the announcement of that decision.

The wage which the Labor Board has been told is "the living wage" is not the vague, indefinite something without substance or outline which rolls trippingly from the tongue under that nebulous name. It is a somewhat concrete and well-defined proposition. The Labor Board was definitely asked to fix for the unskilled and lowest paid worker a wage sufficient to maintain a family of five in health, decency, and reasonable comfort, and above this basic living wage to establish differentials for the higher grades of railroad workers, such differentials to extend upward according to skill, hazard, responsibility, experience, training and productive efficiency.

For ascertaining and establishing this standard of living the Board was asked to adopt the budget system, by which it is undertaken to set out in a budget the various articles and items of food, clothing, fuel, shelter, etc., that a living wage should provide.

Quite a number of budgets have been submitted to the Labor Board by the employees, first and last; but the one which they customarily urge as the soundest and best considered is that prepared by the Bureau of Labor Statistics at Washington. The money value of that budget when submitted was \$2,133.00. Another budget presented by the Railway Employees Department of the American Federation of Labor was \$2,623.97. In the final analysis of the matter it was said by one of the statistical experts of the Maintenance of Way Employees that, "With an allowance for savings (\$150.00 per year) a low-cost budget on the subsistence level would cost at the level of prices in June, 1922, from \$1,750.00 to \$1,850.00 a year." The first of the above-mentioned budgets meant a wage of 87 cents per hour; the second, 107 cents per hour; and the third, 72 to 75 cents per hour, for an eight-hour day.

It should be remembered that these three living wage budgets were advanced to cover

only the basic wage which common labor should receive, and it was proposed that the skilled classes should have differentials ranging above this minimum.

In connection with the argument in favor of the living wage for railroad workers, it was contended that no industry in the United States paid a living wage, and that the employees of all other industries were as justly entitled to it as were the railway employees. Of course, this last assertion is indisputable.

The foregoing gives a bird's-eye view of this question as it came before the Railroad Labor Board. The Board declined to declare in general terms in favor of "the living wage" as hereinbefore defined, for a number of reasons, not the least of which was that it was an economic impossibility and that its proponents so admitted. To have adopted this theory as the basis for wage-fixing would have bankrupted every railroad in the United States or would have compelled the people to have come to their rescue either by subsidies raised by taxation or by enormously increased freight rates.

The rate of 72 cents per hour for common labor or \$1,750.00 per year, with existing percentage differentials maintained for skilled labor, would have added approximately \$3,112,952,387 to the annual payroll of the carriers, and would have created an annual deficit of \$2,241,639,518 on the basis of the revenues of 1921. It can be adequately imagined without any calculation what deficits would have been caused by the application of either of the other two budgets, \$2,133.00 or \$2,636.97.

The expert statisticians of the employees, while contending that this was the living wage to which the unskilled men were justly entitled, admitted that it was impractical to apply it all at one time, and asked for a minimum rate of 48 cents per hour for common labor, giving a range of 48 to 60 cents for this class and making what they called "a start" toward justice.

To have given this 48-cent rate and to have preserved existing percentage differentials for skilled employees would have added \$1,249,390,944 to the annual wage bill of the carriers and would have created an annual deficit of approximately \$378,078,125 on the basis of 1921 revenues. Expanding this theory of the living wage to the entire country and to all classes of labor, as its proponents say should be done, produces still more startling results. The last estimate I have seen of the total annual income of the people of the United States, that for 1921, is \$40,000,000,000. If the 25,000,000 families of this country were receiving in wages the sum of \$2,636.97 each, it would total \$65,924,250,000, which would be \$25,924,250,000 in excess of the country's total income. Wonder where the excess would come from?

If the 25,000,000 families were each receiving in wages the least budget urged upon the Board, namely, \$1,750.00 or 72 cents per hour for the head of the family, it would total \$43,750,000,000. This would be a right close race with the total national income. It would mean confiscation of capital and a practically equal division of the income of the country. It must be noted, too, that no differentials for skilled labor are allowed for in this calculation, but skilled labor would be demoted to an equal status with common labor, as would also the executive or man-

agerial class. This would be communism with a vengeance.

It is no answer to this demonstration to say that "the living-wage" was proposed only for labor on the railways. If it be demonstrated that "the living-wage" as advocated for railway labor would give to railway labor such a large portion of the country's total income that, if extended to all labor, it would more than consume the total income of the

preliminary announcement of its adoption of the so-called principle.

Mr. Jett Lauck, perhaps their most distinguished expert, after an exhaustive presentation of the merits of the "living wage," gave utterance on cross-examination, to the following statements:

The rate of pay at which you will arrive from the use of the budget would be appalling; that is, from the standpoint of a body which had determined to attempt to establish a minimum wage.

That is the best (72-cent rate), but, in our judgment, it would be incapable of application at the present time, owing to the fact that the Board would not wish suddenly to inject a monkey wrench into the industrial wheels of the country.

Mr. Oliver, another statistical expert of the employees, stated:

It is now time to define a proper standard of living applicable in these proceedings. . . . Every answer is but a guess and a makeshift, and for our makeshift in these proceedings we shall accept the standard prescribed by the Bureau of Labor Statistics of the United States Department of Labor.

When this statement of Mr. Oliver's was read to Mr. Sturgis, another expert economist representing the employees, and he was asked if he subscribed to the thought, he answered, "I will subscribe to that; yes, sir."

Mr. Sturgis also said that "it is not practical to award the whole thing at one time," and that to do so "would be destructive."

A condensed analysis of the reasoning of those who sought to commit the Board to that very definite thing which they termed "the living wage" would read as follows:

1. That the law commanded a "just and reasonable" wage.
2. That the wage could not be just and reasonable unless it were "the living wage."
3. That the living-wage must be based on a scientific budget providing support in health and reasonable comfort for a family of five.
4. That the scientific budget upon which they insisted would cost 72 cents per hour for the lowest paid common labor.
5. That this rate was so high that its adoption would be burdensome, impractical, "appalling" and "destructive"—a "monkey wrench in the industrial machinery."
6. That therefore the Board must adopt, for the time being at least, a rate much lower than the just and reasonable wage commanded by the statute.

The Board took the position that, if the living wage rate of pay were in fact the just and reasonable rate commanded by the law, the Board would violate its official oath to fix the rate at any lower figure. The Board was quite convinced, however, that a rate confessedly so excessive that its adoption would be ruinous was not just and reasonable, nor could the Board subscribe to a wage-fixing method which would produce such shockingly uneconomic results as to constrain its proponents to discount them.

The probable results of the adoption of the budgetary method for fixing a minimum wage, as supported by the facts and figures above set out, would show clearly one of two things. Either the method itself is utterly impractical or the budgets heretofore submitted to the



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—And above this to establish differentials for the higher grade of worker, to extend upward according to skill, hazard, responsibility, experience, training and production efficiency.

nation and would reduce skilled labor to a wage equality with common labor, it necessarily follows that this co-called "living wage" is an unjust, unconscionable and uneconomic thing, even when applied to railroad labor alone. If the employees engaged in the railway service or in any other industry succeed either by the coercion of economic power or by the award of public commissions, in obtaining wages in excess of what is just and reasonable, the excess so obtained falls as a burden upon all other members of the community, including other classes of labor.

It is interesting to note a few of the statements made by the expert statisticians as to the immediate impracticability of the living wage, in view of the fact that they sought to have the Board declare in favor of the theory before they proceeded with their evidence and argument and then sent a telegraphic complaint to the President of the United States because the Board declined to make a formal,

Labor Board are inherently and grossly defective.

Indeed, one of the very basic factors of this budgetary theory seems to be fatally erroneous, and that is the selection of the family of five as the typical family, with its father and mother and three dependent children. According to the census of 1920, there was an average of 4.4 persons to a family and not 5. This included all members regardless of age. There was an average of 1.4 dependent children under 16 years of age to each family, and not 3 such children. The budget is therefore based on more than 73,000,000 dependent children instead of approximately 35,000,000 as shown by the census.

The census also discloses that for each family there is an average of 1.36 male workers, instead of only one, as figured in the budget.

These three wide variations from the facts right at the very foundation of the living wage theory necessarily result in an enormously erroneous superstructure of conclusion.

Australia, the country from which this doctrine of budgetary wage-fixing came, has been waking up to its defects. The family of five had been used as the basis there, but an exact inquiry made by the Arbitration Court of New Zealand brought out the fact that of the entire male population, 375,000 in number, only 59,000 were married men having as many as three dependent children. In the language of the Arbitration Court, the wage based on the family of five theory involved "the payment of maintenance for 150,000 non-existent wives and 672,000 non-existent children." The result in the United States would be very similar, though on a vastly greater scale.

The Human Equation

IN Australia, it was found upon inquiry and calculation that a basic minimum wage sufficient to support a family of five in reasonable comfort would add approximately a half billion dollars a year to the cost of industrial production. Premier Hughes declared that Australia could not stand up under this additional burden.

The difficulties involved in the task of standardizing the living conditions and expenses of millions of human beings, endowed with an infinite variety of mental and physical habits and dispositions, cannot be overestimated. The same multifariousness of mental processes must also exist among the men who prepare the budgets. It is a notorious fact that there is no great degree of uniformity

among dietary experts. One fad succeeds another. If there should be found any substantial agreement as to the number of calories essential to the health and strength of the working man, there would still remain a wide field for differences of opinion as to the kinds of food from which these calories should be extracted. One man will insist on obtaining them from dainties and another from coarser and cheaper foods.

The college professors who sit down to estimate just how much and what kind of foods the average family demands and just what amount of clothing, fuel, etc., it should have, will find it no easy task to give proper consideration to the thousand and one little economies and domestic short-cuts taken by one class of people and the numberless extravagancies indulged in by others. These things are individual.

Another thing that must be considered is that while common labor will always have to be performed, it will not always have to be done by the same men. In our country there is ever the opportunity for common labor to attain various degrees of advancement. Millions of common laborers pass on into the field of skilled labor, and multitudes of them into the still higher domains of the executive and managerial. Nearly all the railway officials in this nation today came up from the ranks.

Another fact established by human experience is that a man performing common labor cannot expect to obtain directly from his daily wage all the comforts and conveniences of life. Some portion of these things must necessarily be deferred until thrift has resulted in accumulation. A fair degree of contentment and even happiness may be enjoyed under these conditions of self-denial. How many millions of men and women can testify that they experienced a greater happiness from the meager income of the early years than they did from the more generous income of a little later on!

If Congress desires to amend the Transportation Act by providing for "the living wage," it should do so in very explicit language. It should direct the adoption of the budgetary method of fixing a minimum wage and should make a sufficient appropriation to enable the Board to make independent investigations upon which to base its budget. Otherwise, the Board would be compelled to accept budgets which the employees' own experts have shrunk from accepting. Congress will hardly take this step in any event without an exhaustive study of the subject and without the most careful consideration

of its probable effects on our whole economic and political system.

My judgment is that the law as it now stands is amply sufficient for the attainment of justice. The words "just and reasonable" are more comprehensive than any other language that could be adopted. A just wage may be higher than a living-wage. A just and reasonable wage must be just both to the railroads and the employees, and consequently to the public at large. The living wage idea considers only the needs of the employees. The just and reasonable wage considers both his needs and his deserts, and also the rights and necessities of the public who must foot the bills.

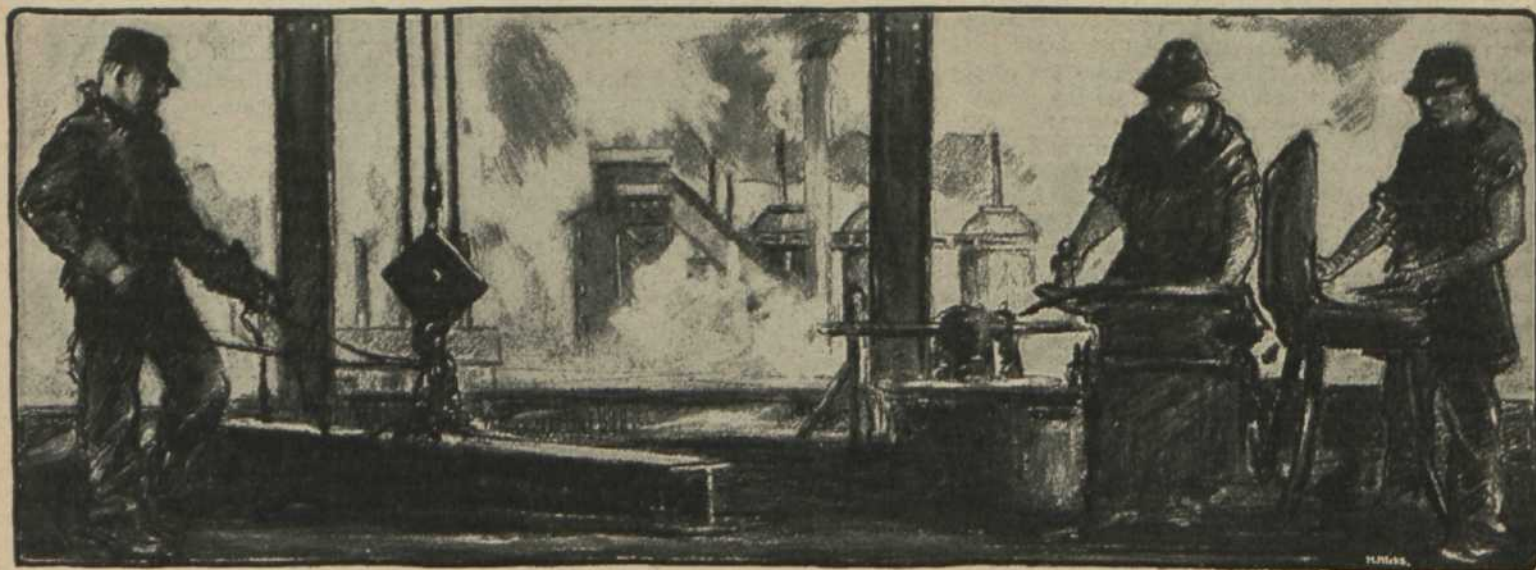
The Common Sense of It

THE seven factors set out in the law as the basis for wage-fixing were wisely written by Congress. It is doubtful whether they could be improved upon. They are just such elements as any man of common sense would consider in deciding a wage dispute. Under them the Board can adopt the budgetary method of wage-fixing, if and whenever it deems it just and reasonable.

No injustice has so far resulted to the employees under the wage provisions of the present law. Almost without exception, they have received better wages than men in outside employment, performing similar work.

It is by no means my purpose to indicate that laboring men on the railroads or elsewhere should be discouraged from rational efforts to improve their wages and working conditions. Standards of living have gradually advanced in this country and must continue to do so. It must not be forgotten, however, that the worst legacy left us by the war was that of wasteful and extravagant habits of living by all classes of our people. These cannot be accepted as the normal standards of sensible and wholesome living.

I am not expressing the opinion that the present distribution of the product of industry is the acme of economic and social perfection, incapable of improvement. I am, however, wedded to the idea that the people of this nation can be most happy and prosperous by advancing along the same general lines that we have hitherto traveled. Such inequalities and injustices as are the natural outgrowth of an industrial system enormously magnified beyond the dreams of our forefathers can be remedied within the limits of methods and institutions tested by time, without resorting to any of the fantastic experiments so prevalent in these latter days.



Can We Sort Them at the Gate?

By VERNON KELLOGG

SCIENCE is lifting its unashamed head in the company of so many groups of men interested in so many different problems of our American life that it is not surprising to find it showing its face among those interested in the present pressing problem of immigration. One encouraging thing about the appearance of the devotee of natural science here and there among groups of historians, economists, sociologists, statesmen and other representatives of the social sciences, is that he brings with him no preconceived prejudices, except a strong prejudice in favor of facts and rigorous methods of ascertaining these facts. He brings with him no self-interest. He has no axe to grind, except the axe of truth. Hence he should be welcomed.

There are definite scientific phases of the immigration problem. By this I mean phases which, for their proper consideration, call for the special aid of the student of the natural sciences as contrasted with the student of political science, economics or sociology.

There is, of course, in connection with the study of human life, properly no sharp line of distinction between those special fields of natural science which relate to human biology, such as psychology, anthropology and general biology (heredity, environmental effect, etc.) and the fields of the social sciences.

Practically, however, a somewhat hazy line of distinction does exist. But the whole tendency of modern scholarship is to break down the artificial boundaries or barriers which have been set up among various special lines of human thought and interest. These barriers have impeded progress. They have, especially in connection with the study of human life, developed unfortunate antagonisms. Political science and political economy have considered themselves quite competent to set up, unassisted by anthropologists, psychologists and biologists, rules for the conduct of human society.

The sociologists have not been so confident. In fact, they have tried to get themselves established on a foundation of biology, although not with too

much success, for so few of them have any fundamental biological training or understanding.

There is needed, for the proper study of many human problems, a special type of biologist-sociologist who can bring together and weigh fairly the facts ascertained by special studies of human life carried on with the known fundamental biological laws constantly in mind. Let us try for the moment to act in this capacity in our approach to the scientific phases of the immigration problem.

The phases of this problem which concern the scientific man are especially two: the matter of racial characteristics and the matter of racial hybridization.

Have the various races or peoples of Europe

and the East, which contribute quotas to our total immigration, distinctly varying characteristics, and if so, can these characteristics be classified roughly into good, indifferent and bad characteristics? Of these characteristics, what are the ones due to heredity or inherent race character, and what are those due to environment and education?

There is no doubt that the various European peoples do possess differentiating characteristics, but it is very important to know whether these differing characteristics are the acquired and more superficial ones due to differences in environment—climatic, political, economic, religious, educational, etc.—or the inherent and more fundamental ones due to racial inheritance.

Our problem of selection among candidates for immigration and our problem of Americanization of the accepted immigrants greatly depend for solution on scientific knowledge of these matters. If these racial and national differences are all due to the effects of varying environment, they can be more or less rapidly modified by new environmental and educational conditions. If, however, these differences are mostly due to actual biological inheritance, they cannot be so easily changed.

The convinced environmentalists, represented by the professional educators and a rather small group of anthropologists and biologists, look on these racial differences as being mostly of this acquired kind, and hence see no serious difficulties or disadvantages in these importations of varying peoples or in the racial hybridization that is now going on in America and will continue to go on as long as immigration continues.

They see no serious biological difficulties in the Americanization of these newcomers and their children and of the offspring of their crossings with each other and the American stock. The whole solution is good environment and education.

But there is a larger group of anthropologists and biologists who recognize other dif-



ferences among various races and peoples than those immediately due to the effect of varying environment and education. They see inherent inherited differences among them. And they know that these differences cannot be quickly extinguished or even radically modified by new environment and education, however good and abundantly provided. And they see not only a persistence of these traits—good, indifferent or bad—in the people possessing them, but they also see them handed on to their children and children's children by heredity, and mixed, also according to the laws of heredity, with the traits of our native stock by inevitable hybridization.

Now human hybridization is not *per se* necessarily an evil, despite much popular belief that way. The plant and animal breeders constantly use hybridization to bring into existence better types of domesticated plants and animals. They also use inbreeding for the purpose of holding these better types true to their good points. Yet there is much popular belief that too close human inbreeding is bad for the race. But, no more than hybridizing or mongrelizing, is inbreeding *per se* necessarily bad.

The danger of inbreeding is that of bringing together individuals or types which have bad traits common to both, and hence likely to be accented in their offspring. The bad result in hybridizing comes when a race (plant, animal or human) with several bad traits is crossed with a race of several good points. The result is usually a mosaic of good and bad traits, perhaps, on the whole, better than the poorer parent, but not so good as the better parent. Sometimes, however, such a crossing produces a result inferior even to the poorer parent; but sometimes, also, one even superior to the better parent.

In the case of human racial hybridization there is a general popular presumption, based on miscellaneous observation, against Eurasian crossings, and similarly against Negro-Caucasian crossings. But because of the social prejudice against such crossings it may be that most of them occur only between particularly poor individual representatives of the races, the bad outcome, then, resulting rather from the individual inferiority of the parents than from racial mixture.

I have observed, too casually to serve as scientific basis for conclusion, some results of racial crossings in that natural labora-

tory of human hybridization experiments, the Hawaiian Islands. I have been struck by the apparently excellent outcome of crossings between the Chinese and other races. I saw in a single girls' school in Honolulu the results of some twenty or more different racial combinations. Some seemed bad; some seemed good. This only means that to know really—that is, with any scientific precision—what racial crossing means, we must do an immense amount of intensive and continued analytical observing.

We talk rather freely about racial dominance or prepotency in connection with racial crossings. But, so far, all we know about dominance or prepotency in heredity is that certain particular traits—not particular individuals, or a particular sex, or particular races—are dominant in crossings. And even this dominance is only that of somatic, or bodily, character and not of germ plasm character. The good or bad trait, extinguished as bodily manifestation for a generation or so as a result of a crossing, may persist in the germ plasm and reappear later.

As regards the actual difference among

races in inherent, heritable mental capacity (not mental culture, which is not inherited biologically although it may be passed on by social inheritance) the scientific men know something, although not very much. Thanks to the ingeniously devised intelligence tests used in the army psychological examinations and the fact that there were large foreign-born contingents in the army draft, it was possible to determine the inherent mental differences in the contingents representing various European peoples.

These differences indicate that certain northern nationalities, roughly grouped as members of the Nordic race, send to us immigrants that average higher in mentality than those which come from certain southern and southeastern European peoples, roughly grouped racially as Alpines and Mediterranean.

The fact, of course, does not warrant any too swift generalizations about the racial mental capacity of different European peoples. There are undoubtedly among the best brains of southern Europe as good brains as exist in northern Europe, and there may be

as wide a range of variation in mental capacity in the southern peoples as in the northern. But it seems almost certain that the southern nations contain proportionally larger numbers of individuals which are below the average mental standard than are to be found in the northern nations.

This has an important significance in connection with our immigration problem, for there has been a gradual shifting of the proportion of immigrants coming from different European countries to America. From 1887 to 1897 the immigrants included considerable numbers from England, Scotland, Ireland, Holland, Denmark, Norway, Sweden and Germany, but these numbers decreased materially after 1897 and in recent years have been comparatively small. On the other hand, the immigrants in recent years have included large contingents from Russia, Italy and Greece.

Now as a result of the intelligence tests of the army draft, 19 per cent of the recruits born in England were ranked in the A and B (highest) intelligence groups; of those born in Scotland, 13.1 per cent were similarly ranked; in Holland 12.4 per cent; Germany, 10 per cent; Denmark, 7 per cent; Sweden, 5.9 per cent;



Samuel G. Saklemian meeting his mother and brother at the dock, New York City. A prize of one year's subscription to THE NATION'S BUSINESS will be given to the reader who fails to guess in one guess the brother who came to this country ten years ago.

Norway, 5.3 per cent; while of those born in Russia only 3.3 per cent were so ranked, in Greece 2.2 per cent and in Italy 1.5 per cent. On the other hand 60.5 per cent of the Italian-born recruits were in the D and E (lowest) group, 55.7 per cent of the Russians, 44.6 per cent of the Greeks, 23.2 per cent of the Swedes, 17 per cent of the Danes, 16.2 per cent of the Germans, 13.5 per cent of the Scotch, 12 per cent of the Dutch and 8.8 per cent of the English.

These percentages do not necessarily mean that the relative position of these various European nationalities as regards mental capacity is indicated with any approach to accuracy by them, because these percentages are based exclusively on samples—and not very large ones—of these nationalities which have come to America. No one of these samples may fairly represent the whole nation from which it came. In fact, the emigration from a given country is almost always specially determined by particular economic, political or religious conditions, and these conditions may result in sending out of the country a group of individuals which is far from being a fair sample of the whole population. But, nevertheless, these

percentages are worth paying serious attention to. They do reveal the kind of people we have actually received from these various European countries.

Quite as significant as the facts we have just referred to is the fact that there is a marked difference for the worse in the intelligence scores of the recent immigrants from all the European countries as compared with the scores for earlier immigrants. Now if the better averages of the earlier comers cannot be attributed to their better opportunities in America in the way of education—and the intelligence testing psychologists are convinced by many careful tests of the tests themselves that the responses to the tests do reveal only innate intelligence and not acquired information or education—then it is evident that we have been receiving in recent years distinctly poorer samples of the population of the foreign countries from which our immigrants come than we received in former years.

Well, these are the kinds of facts about immigration that the scientific man can find out and that make it necessary that any consideration of the immigration problem, to be sound and complete, must include an atten-

tion to the scientific side of the problem. The scientist must be asked to tell what he already knows and urged to find out more.

We need to know something as nearly precise and certain as possible about the kind and character of the traits, both physical and mental, of the peoples or races which are represented among our immigrants, and about the specific inheritance behavior of these traits—when they are of the heritable kind—in racial hybridizations. We really know now very little about either of these things. A lot of scientific work needs to be done.

To do some of it the National Research Council has set up a committee of anthropological and psychological experts, including special experts in vital statistics, heredity and environmental effect. This committee has carefully formulated a program of investigation and made a beginning of work on it. It takes up its task with no economic or sociologic or political prejudices. It is not trying to prove any particular thesis. It is trying to find out, by careful scientific methods, a body of facts which may be useful to know and consider in connection with any proposed governmental action.

Starting Right With Your Belongings

By WILLIAM FEATHER

I THINK most of us get keener enjoyment from a well-preserved, well-kept old article than we do from a new article.

A used article acquires an individuality from its owner that reflects his character as definitely as his face or spoken thoughts.

When a man appears in stiff, unwrinkled shoes, freshly tailored suit, and a hat that is as shapely as an aluminum boiling pot we suspect he may be a new congressman or a floor walker in a ten-cent store. One guess is as good as another.

Not until a man has worn his clothes for a time do they really fit him. While they are in the day-old stage it's the clothes you see and not the man. The man is a dummy for the display of the clothes.

This is not an argument against keeping shoes shined, clothes pressed and hats blocked, because after a man has begun to wear himself into his clothes, the individuality is there and neither steam nor blacking can take it out.

I know of nothing finer than an old home, built well in the first place and maintained in dignified self-respect by its owners for a half century or more. I passed such a home the other day, as I was walking away from the downtown district. The owners of five dozen other houses nearby had moved out, leaving their residences in the hands of rooming house proprietors. Lawns were neglected and fences were in disrepair, rubbish was heaped up in the backyards, windows were cracked, shades were torn, paint was blistered.

This old house stood sturdy on its foundation. The iron fence was as plumb as a steel column in a skyscraper. The lawn was cropped close, weeded, and neatly trimmed to the edge of the immaculate stone walk. Every inch of mortar in the stone work of the house was intact, the wood gables and window frames were freshly painted. The windows glistened. The shades were drawn to an event height. I have never met the

Texas Leaguers

THE idea is one part—getting the boss to OK it is three parts.

Say it with words—if you can.

As soon as some fellows get a private office where they can loaf without being seen they begin to rave about the workman limiting production.

Oh what is so rare as a full day's work in June!

Our idea of a hard-boiled customer is an eligible bachelor who has successfully resisted the sales efforts of a hundred attractive women.

If the shoe pinches, buy a larger size.

Most of us vote against people, not for people.

At bottom, every man feels that he belongs on a farm—that he is just enjoying a leave of absence.

people who live in that house, but I already know a lot about them.

The Waldorf-Astoria Hotel in New York this year celebrated its thirtieth anniversary. How many thirty-year-old hotels can face the world with as few apologies as the Waldorf? There is beauty in its age because it is clean, finely appointed, well-kept. It has an established character which is lacking in its newly-born neighbors.

Yesterday a friend told me of a barn he had seen on an automobile trip. Numerals on the roof showed the date of its construc-

tion: 1874. This barn stood out in his memory above everything else just because it stood up squarely, a monument to the good workmanship and the good citizenship of its builder and owner. Paint and repairs had maintained it in first-class condition for almost fifty years.

To me no experience is so depressing as to visit an office building which has been allowed to sink into a smelly, unclean, unworthy old age. This is unnecessary, for owners by spending a reasonable sum for upkeep can maintain their buildings in condition successfully to meet the competition of modern structures. In fact, the high ceilings, expansive halls, and solid walls of the old buildings make a strong appeal to many tenants.

This, then, is an appeal for the purchase of goods of sound quality to begin with, and the maintenance of this quality by a proper allowance for upkeep.

The tendency today seems to be to multiply the purchases of cheap things. Instead of two good hats, a man buys four cheap hats. When a hat needs cleaning or blocking, the owner throws it away. Likewise, the modern fad among automobile buyers is to trade in a car for a new one about the time the stiffness is out of it.

Under this policy handsome, well-built automobiles quickly pass to third-hand owners who have no pride in possession and the streets become clogged with broken-down thoroughbreds.

Maybe there is a dollars-and-cents advantage in this rapid change of ownership, but I think there will come a time when people will take pride in owning and driving well-groomed automobiles which have given ten or fifteen years of satisfactory service.

A final observation is that too many today over-extend themselves on the initial purchase and have nothing left for upkeep. Not only is this bad economy, but it indicates shallow character, being as it is, the reflection of a desire to advertise a false prosperity.

Couzens, Radical —and Rich

By JAMES B. MORROW

"We Are With the Bunch That Makes the Loudest Noise."

Next, the clairvoyants say, they see a division of special and nondescript reformers, young and middle-aged, with and without beards, but all equipped with horn spectacles or large eyeglasses with wide black ribbons to be looped over reformatory and agitated ears. They are shouting at one another, the reformers are, and half a dozen of them show physical symptoms of a desire to fight. Their banner (borne proudly by a college professor who, as yet, has never seen his name in print) tells the spectators on the sidewalk that "We Are Opposed to Everything That Is and

Engineers, William Z. Foster, the Napoleon of the steel strike that petered out, Eugene Debs, late of Atlanta, and Miss Schneiderman, "The Rose of Anarchy," keeping irregular time with their feet, their admiring eyes on "Our Big Chief," tramp down the Avenue behind the flivver and are followed, the clairvoyants declare, by a gesticulating and vocal company of minor labor leaders, socialists, communists, intellectuals, hobos and soap-box orators.

This miscellaneous throng also have banners. One reads:

"Our Platform—Uncle Sam to Be Our Employer; Politicians to Fix Our Wages; the Civil Service to Keep Us in Our Jobs."

Another banner reads:

"Government Ownership of the Railroads—the Wedge That Will Split and Splinter the Present Capitalistic Order of Industry."

Still another reads:

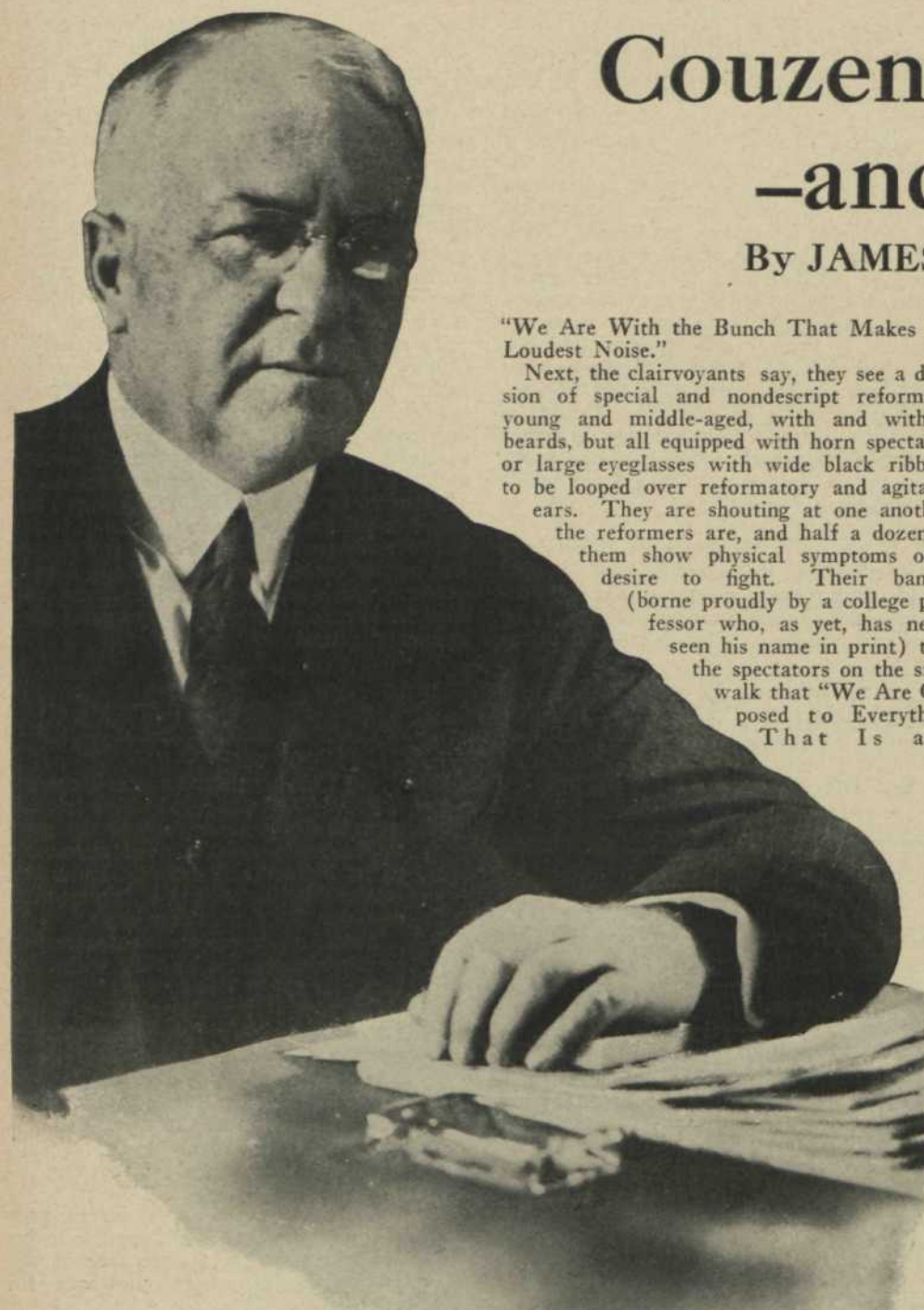
"After the Railroads—Factories, Mines, Farms and All Other Sources of Production and Agencies of Distribution."

Interpreting their vision, the clairvoyants say: "It means that Senator Couzens is to be the titular leader in the next Congress of those in both the Senate and House of Representatives who are planning to take the railroads from their owners and hand them over to the National Government. The procession which we see means, and it is as plain as the nose on one's face, just that and all of that; and it shows furthermore, in detail, the elements which will coalesce until the cataclysm they hope to bring on the country is under way, whereupon every man will look out for himself.

"The reds and their variants and diminutives from light pinks to orange yellows," so runs the revelation of the clairvoyants, "honor wealth as much as anybody. If John D. Rockefeller, senior or junior, confessing the faith, were to set up as a revolutionist, even Lenine and Trotsky would take off their hats and sandals and scrape their noddles on the earth.

"Senator Couzens, it is figured" (the clairvoyants, remember, are still elucidating), "will give the magic of his millions and the prestige of his name to the socialistic project that is now being cooked up by such men as La Follette, Capper and Brookhart. 'Observe,' they will noisily say, 'that some patriotic and unselfish men of Big Business are heartily with us in our warfare against oppression and rascality.'"

"But Couzens might fool them and come out himself for the Presidency in 1924," the clairvoyants could be reminded. In which event the clairvoyants would immediately answer: "There is no danger of that; Couzens was born in Canada. La Follette, Brookhart and Capper know that they are safe in leaving Couzens in Washington, slyly to propagate socialism in bulletins and statistical



"I'm radical as hell," says Senator Couzens, "when I see an evil that ought to be ended."

CLAIRVOYANTS in Washington, often right, but occasionally wrong, say, with more than usual positiveness, that they see a procession, more real than allegorical.

It is marching through Pennsylvania Avenue toward the Halls of Congress. At its head, a jazz band of a hundred musicians, including two bass drummers, is playing with loud booms and ringing cymbals, the Star-Spangled Banner.

Following the band, the clairvoyants assert, are a small number of United States Senators, three abreast, led by those self-effacing and taciturn prophets of the meek and lowly, Robert M. La Follette, Smith Wildman Brookhart and Arthur Capper.

Representatives in Congress, some taking long steps, others taking short steps, several wearing frock coats, most of them, however, wearing sack coats or no coats at all, except across their forearms, march behind the Senators. They carry a banner, the Representatives do, on which is this solemn assurance:

© National Photo

Unitedly Favor Any Old Thing That Isn't."

The clairvoyants then see, so they prognosticate, two fat and pompous men carrying a huge white muslin standard, on which, in the blackest of paint, are the words: "Our Big Chief." Fifty feet behind the standard is a flivver, its top down and its sides and wheels ornamented with red, white and blue tissue paper, fashioned into stars, rosettes and garlands.

In the flivver, which is shiny and new, and at the wheel, you understand, the clairvoyants declare that they recognize James Couzens of Detroit. He rides alone, erect and smiling. A streamer on a slender pole, attached to the hood, informs the world, or so much of it as may be curiously watching, that, "I Have an Open Mind, But—"

The clairvoyants, going further, insist that ever and anon Couzens looks, first to the sidewalk on his right and then to the one on his left, and amiably and knowingly winks.

Warren S. Stone, chief of the Locomotive

statements, while they are electioneering all over the United States. Were Couzens a native son, someone now would be engaged in the American pastime of cutting his throat."

When I sat down and looked at Senator Couzens across a heavy mahogany desk in his office, he was smoking a particularly long and slender cigar. His smooth, handsome face glowed with the dyes laid on by wind and weather. He plays golf in the green and billowy suburbs of Washington—during the afternoon. His morning is devoted to letters and callers and to statements attacking the railroads, which await his scrutiny.

Frank, Friendly—and Explosive

AFRANK and friendly man, James Couzens is charged with energy, and bubbles with principles and observations which he can enunciate and describe easily and pleasantly. There are no fanatical gleams in his gray eyes. Yet he can be emphatic and dogmatic, and though he often smiles, the world having been spectacularly good to him, he can be serious and even explosive. For example: "Really now," I said, "is the public ownership of the street railroads in Detroit, which you brought about while mayor of the city, profitable and satisfactory to the people?"

"Here are the figures," Senator Couzens vigorously replied, opening a drawer of his desk with a jerk and taking from it a dozen large sheets of paper filled with red lines and black numerals. "If they are inaccurate, I'll give THE NATION'S BUSINESS \$100,000, with the stipulation, however, that you are to have 10 per cent of the sum so paid."

The figures seemed to show a high degree of prosperity on the street railroads of Detroit. "Jot them down," Senator Couzens urged. "Prove them to be wrong and I'll pay the money—\$90,000 to THE NATION'S BUSINESS and \$10,000 to yourself."

All this Senator Couzens said in the face of denials in Detroit that city ownership has been or is a success. The local debate is of no interest here—let the heathen rage—but the curt dialogue between senator and writer is revelatory of the style, methods and enveloping tactics of the former.

Descriptive further of Senator Couzens—physically, it should be said that he is fifty years old, that he has short iron-gray hair, a small mouth and even teeth and that he is of medium stature, with some signs of excess baggage under his vest but not beneath his militant chin. All in all he is a stylish and attractive man, and a delightfully free-spoken man. "Of course you know," I remarked across the mahogany desk, "that you are said to be a radical."

"I am radical as hell," was the quick reply, "when I see an evil that ought to be ended."

Now let us look a little more closely into the facts and figures pertaining to James Couzens and into what might be called, without irreverence, the latter-day miracle of the loaves and fishes. But for the miracle, James Couzens at this moment would be nowhere, much less in the Senate.

If he lived in Wisconsin, La Follette occasionally might send him a public document, postage paid by the Government. If in Kansas, Capper might circularize him in behalf of one of his agricultural journals. If in Iowa, Brookhart might inform him from the stump, without noticing him in particular, that he was a galley-slave, chained to the rapacious oars of Big Business, and that wheat ought to bring \$2.50 a bushel in the nearest market.

Perhaps the facts and figures are epochal. Anyway, they are wonderful; and, as here to

be stated, authentic. Again, they show what wealth can do to pacify and electrify the suspicious and jealous spirits among the professional champions of the common people.

"Who is that man with the long, pointed mustache to whom you were talking a moment ago?" James Couzens asked A. Y. Malcomson, his employer, in the year 1902.

"That's Henry Ford," Malcomson answered. "He is the stationary engineer at the Edison plant. Treat him right; he may buy some coal of us."

Later, Malcomson said to Couzens, his chief clerk and bookkeeper: "Ford believes he can manufacture a cheap automobile. I am going to back him to the extent of \$3,000, but don't let our bank know about it."

Couzens had saved \$400. He borrowed \$100 from his sister, who had \$200 but was advised by her father not to put all of her eggs in one basket. Malcomson had agreed that, if the sales in his coal business exceeded a certain amount for the year, he would give Couzens a premium of \$500. The sales went beyond the amount and Couzens was paid the premium. Therefore, Couzens had \$400, plus \$100, plus \$500. This sum, \$1,000, was all the money he invested in the Ford Company, which began doing business in 1903.

Ford, having fitted out his ridiculous peace ship and filled it with as cantankerous a collection of egotistical, worthless and frivolous specimens as was ever herded in one place at the same time, quarreled with Couzens, who thought the enterprise to be undignified and a piece of tomfoolery and who, Canadian-born, wanted Germany whipped by Great Britain without any delay. The quarrel led to the sale of Couzens' interest, 11 per cent of the stock in the Ford Company, to Ford himself for \$30,000,000.

In twelve years, therefore, Couzens' investment of \$1,000 in cash was multiplied 30,000 times. Besides, he had received millions in dividends and was being paid, when he withdrew from the Ford Company, \$150,000 a year as general manager, sales manager and financier.

Back in 1903, Couzens, employed by Malcomson at \$125 a month, said to Ford, stationary engineer at the Edison lighting station, who was receiving the same amount, in answer to Ford (who had asked: "What do you think we should soak the new company in the matter of wages?"), "You ought to have \$3,600 a year and I'd be satisfied with \$250 a month."

Dividends on Youth

AS for Malcomson, he dubiously put \$7,000 piecemeal into the Ford Company so as to get it on its feet. He sold his interest in a few years for \$175,000. On the basis of present values, that interest today is worth a quarter of a billion dollars. Malcomson, you see, was a business man and, perceiving a good profit, took it.

"Now, neither Ford nor myself," said Senator Couzens to me, "ever thought of the rewards we were likely to get. What we desired to do was to manufacture a cheap automobile that could be bought by persons in moderate circumstances. Most men go into business only to make money, whereas they should think of the work to be done; profit, then, will take care of itself."

Ford was forty years old in 1903; Couzens was thirty-one. "If I had been forty-one or fifty-one," Senator Couzens also said to me, "I could not have accomplished what I did accomplish. In 1908 I spent 156 nights on railroad trains and boats and traveled 44,000 miles. I have been asked why the street railroads of Detroit, under city owner-

ship and operation, have made money and given good service, and I have answered: 'Because I surrounded myself, in the first place, with young men whom I had known in the Ford Company. They were capable, enthusiastic and enterprising and had stamina enough of body and mind for their jobs.'

From personalities I turned to doctrines, saying: "You claim to have an open mind on the railroad question, and yet you are finding fault with railroad presidents on the ground that they are neither efficient nor economical."

"Yes," Senator Couzens answered, "my mind is open," which, the writer believes, was an unconsciously inaccurate statement. "Everyone, I think," he went on, "understands that something must be done with the railroad situation. The railroads can't handle the freight of the country. I stand just where Abraham Lincoln stood seventy years ago. Lincoln said that the people should do all things for themselves, when they could do them better than could the Government. When the people couldn't do them better, then the Government should take up the work and assume the responsibility. I want to see things done right—that's all."

An Open-Minded Partisan

BUT don't you believe that the incessant interference by the politicians in Congress and the forty-eight states is at the bottom of what you term the breakdown of the railroads?

"No. The railroads had to be regulated. Here's a family of children, let us say, all unruly and bad. They have to be disciplined. What do you suppose would have happened if the railroads had not been regulated? I am sure that the bankers who for years have been selling their stocks and bonds would have been far more rapacious than has been the case."

"A good many demagogues have got into office by attacking the railroads," I said.

"Demagogues don't originate issues," Senator Couzens instantly answered. "They may overcolor issues, be intemperate and all that, but the issues were ready made for the demagogues and right at hand for their use. Something was wrong. Don't ever forget that."

"You can see no objections to the ownership of the railroads by the people?"

"There are difficulties in the way, of course," Senator Couzens replied. "When the Government takes over the railroads, there will be some trading of votes in Congress for extensions, new lines, terminals and so on, just as trading now goes on over new public buildings and for improvements to rivers and harbors."

"But difficulties are to be expected—and overcome. There are difficulties in all human endeavors and pursuits. They have never worried me very much. I met them as mayor of Detroit."

"Now let me give you a few figures" (reading from the large sheets in black and red ink, which he had previously taken from his desk): "The city-owned street railways of Detroit, from May 15, 1922, to March 21, 1923, earned \$850,187.42 above all operating expenses, interest on outstanding bonds and payments to the sinking fund, which has been created to liquidate the bonds—issued to purchase the roads—at maturity."

The figures, as he read them, seemed to be highly gratifying to Senator Couzens. It was at this point that he made his \$100,000 offer to THE NATION'S BUSINESS, with a \$10,000 reservation to the writer.

"Of course," I said, "the Government is not wholly inexperienced as a railroad operator. It tried its hand at the business during the World War."

Senator Couzens looked sharply at my face, quite vacant for the moment, and said: "It is not my intention to discuss, at this time, the Government's handling of the railroads during and after the war, but it would make interesting reading were I to show you what private industry did to the Government while this country was engaged in fighting Germany. I could say a great deal about the production of aeroplanes and munitions, and the construction of training camps on the cost-plus plan."

"Moreover," Senator Couzens added, "I have never advocated the operation of the railroads by the Government."

"Just the owning of them," I suggested.

"Well, as I have stated heretofore, my mind is still open on that part of the question."

It may be possible, after all, that Senator Couzens really desires to have the Government buy the railroads and run them, but that he doesn't as yet realize exactly where he stands. He is convinced, however, that something must be done. What? He will spend the summer in trying to find out. In an attempt, it might be hinted, to learn what is in his subconscious mind.

Meanwhile, La Follette and congressional gentlemen of his ilk say that they are not committed to any railroad plan. Are they waiting until Senator Couzens announces his scheme? "Committed" is the word they employ. Anything, almost, will suit them so long as they can march in the clairvoyants' procession in front of the flivver

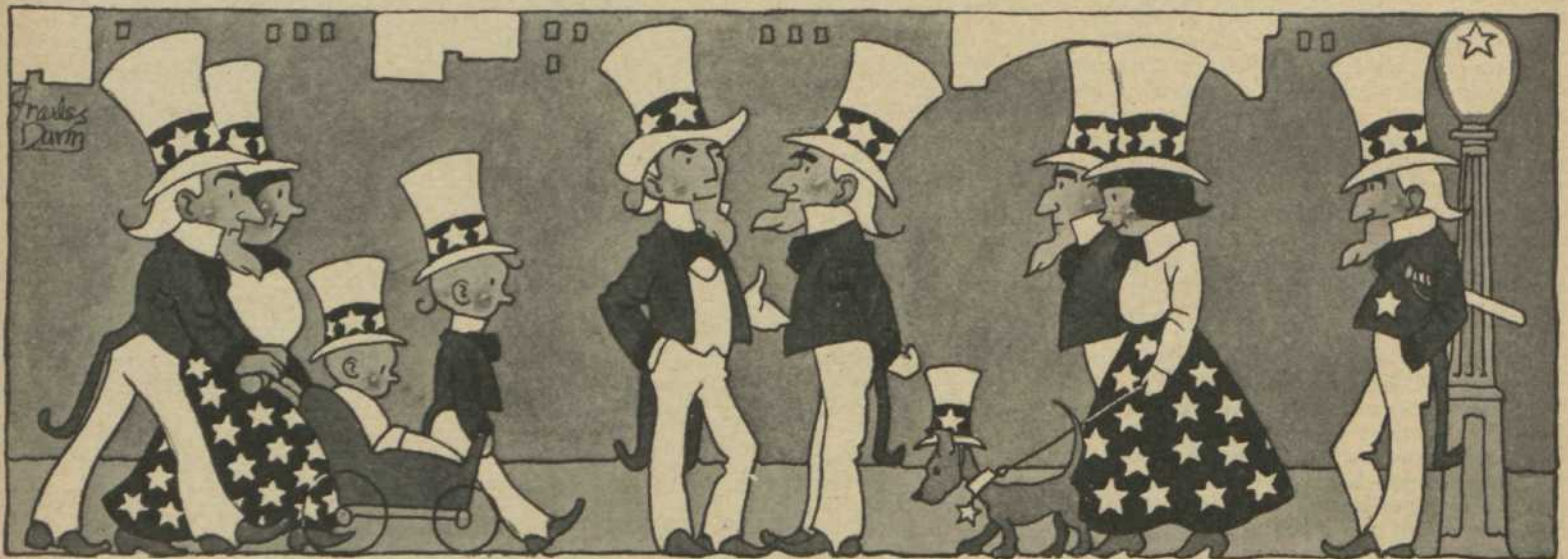
in which rides and amiably winks "Our Big Chief."

Thirty million dollars, plus, is a whole lot of money. It is rumored that the bulk of it is invested in the bonds of states, counties and cities, which are not taxable, either locally or nationally. But for the life of me, I couldn't muster up nerve enough to ask if the report were true.

"If my denunciation of profiteering business men and my censure of bankers causes me to be called a radical, I have no complaint to make," were about the last words that Senator Couzens spoke to me.

"Fine! Fine!" La Follette would have exclaimed, had he been present. "It's a pity," and here La Follette, himself, would have winked (in the direction of Milwaukee) "that Jim Couzens was born in Ontario."

The Whole Sam Family



LET NO American worry about how his descendants will make a living.

There is a great and growing profession in the United States in which almost anyone willing to work can find a place, in which salaries are fixed and guaranteed by law, in which promotion tends to become more and more automatic and dismissal more and more difficult.

It is for these reasons a profession which makes relatively little demand upon courage, enterprise and initiative, but appeals strongly to man's love of security and ease. If it continues to grow and to increase as rapidly in the future as it has in the past, the time is in sight when it will embrace the entire working population.

It is the profession of government job-holding.

It seems legitimate to refer to government job-holding as a profession or a trade, since a union has been formed—called the National Federation of Federal Employees—the members of which range all the way from janitors and charwomen to scientific specialists, and have nothing in common except that they are all holders of government jobs, and all of them want more money and more security in their positions.

To realize how this profession is growing

A Look Ahead to the Time When We Shall All Be Working for the Government

By HARVEY FERGUSON

you must glance back about a century. According to the Records of the Civil Service Commission, in the year 1821, there were 8,211 civilian employees on the government payroll. The Army and Navy are left out of this calculation, because they are so variable in size.

In the year 1821 the population of the United States was about 9,000,000. That means, roughly, about 3,500,000 persons gainfully employed. It follows that at that time about one bread winner in every 425 was employed by the Government.

Now come down to the year 1923, which is better for the purpose of comparison than 1921, because in the latter year the government payroll was still swollen from the transient effects of war.

On March 4, 1923, there were 504,778 civilian employees on the federal payroll, according to a compilation made for the President. That means approximately one government employee for every 75 bread winners.

The significant fact is that the Federal Government, as measured by the number of employees on its payroll, is more than five times as large in proportion to the population as it was a hundred years ago.

This country has grown rapidly. In fact, it has beat all the world records for rapid and steady growth in population and wealth. But the Government has beat the population five to one.

The "Founding Fathers" foresaw a great future for their country. George Washington, especially, had a true vision of its future greatness. But surely he never foresaw what that little Government he started was destined to become.

He and Hamilton and Patrick Henry, and all the rest of the Revolutionary statesmen were individualists of an extreme type. Their idea of the right amount of government was the least that could possibly serve the purposes of civilization. They clove to the notion that government should exist for the sake of man and not man for the sake of government. But the Federal Government was such a fragile and sickly plant in those days that it took all the effort of the best minds to keep it alive.

Surely those Revolutionary worthies would be startled if they could see the huge growth

it has become. Yet the politicians who water that plant today with the money of taxpayers still do so in the name of the founders.

And to judge by all current indications, its growth has just begun. It experienced an abnormal expansion in war time, as governments often do, and it has shrunk measurably since the war ended, but this is a transient phenomenon. Never have there been more projects afoot for extending the sway and scope of the Government than now.

Nearly every law that Congress makes in some way increases the power and responsibilities of the Federal Government. The Congress which recently adjourned passed 931 laws in 624 days. And when it came to a close, the chairman of the Finance Committee in the Senate and the chairman of the Ways and Means Committee in the House announced that they saw no prospect of a reduction in taxes by the next Congress. Doubtless they saw aright.

Whither does it all lead? In the past century the population of the country has been multiplied approximately by twelve, and the size of the Government, as measured in number of employees, has been multiplied by seventy. Should the Government go on growing at the same rate for another century, there would be nearly 40,000,000 persons on the government payroll. If the population increased at the same average rate, there would then be about half a billion persons gainfully employed in the United States. About one person out of every twelve who work would then be a government employee.

But all authorities seem agreed that the period of most rapid expansion in population has come to an end. We have checked immigration. The birth rate is not as high as it was in pioneer days. While the percentage of increase in the population has diminished decade by decade, the increase in the size of the Government has been steadily accelerated. Chart these two lines of growth—population and government—and you will find them sharply converging. You can calculate the year when they will cross.

When We're All Job-Holders

IN a word, if the forces which have been in operation for a century with a singular uniformity are not checked, the time is in sight when we will all work for the Government—when the socialization of the American state will be complete.

It is interesting to glance over this story of the growth of our Government as a bureaucracy—a story which has been given little space in the history books.

In the twenty-year period between 1820 and 1840, the population increased in round numbers from 9,000,000 to 17,000,000, while the number of federal employees nearly tripled, increasing from 8,211 to 23,700. The need for new government activities was being discovered by the politicians. In the year 1839 the Department of Agriculture had its inception in the form of a modest appropriation to be used by the Commissioner of Patents for buying seeds in foreign countries.

By the year 1860 the population had increased to 31,000,000, and the Federal Government had again more than doubled in size, employing 49,200 persons. The Department of the Interior was created in this period and began to grow by that law which seems to govern all government bureaus.

The Civil War did not swell the government rolls in the way that modern wars do. In 1871, the roll of federal job-holders had increased only to 53,900. But the ensu-

ing decade saw one of the greatest increases in our history. The population in 1880 was fifty millions, while in 1881 there were 107,000 persons on the federal payroll. The machine style of politics was working perfectly. Every job was a patronage job, and every official in Washington from the President down spent more than half of his time on the patronage problem.

The Department of Justice had its beginning in this period, being set up as a separate government bureau in 1870. Until that year the Attorney General had been simply a legal adviser to the President, at first not allowed even a secretary.

Acorns—And Oaks

THE Civil Service Commission was constituted in its present form in 1883 to give the administrative and legislative officers of the Government some respite from the army of office-seekers who fairly haunted them. It accomplished this purpose in a measure, but it did not check the growth of the bureaucracy.

By 1900 the population had grown to 75,000,000, and in 1901 there were 256,000 employees on the federal payroll. This period saw the founding of the old Department of Commerce and Labor in 1885. The Secretary of Agriculture was made a member of the growing cabinet in 1889, and his department boomed accordingly.

The Interstate Commerce Commission was founded in 1887 with eleven employees. This latter commission is a striking example of how a government bureau grows under the stimulus of congressional enactment. By the year 1890 the commission had come to need 104 employees. This growth was probably made necessary by the first safety laws.

In 1906 real government regulation of railroads began with the enactment of the Hepburn Rate Law, and by 1910 the commission had 577 employees. The Mann-Elkins Act was passed about that time, laying a few more duties on the bureau of the same sort, and in 1915 it had 1,903 employees.

Meantime Congress had decided upon a physical valuation of the railroads—one of

the greatest tasks ever laid upon a government bureau—and in 1917 the commission had reached a maximum of 2,254 employees. As the greater part of the valuation work reached completion, the personnel began to decline, and in 1922 the commission had 1,801 employees.

But the burdens laid upon it by the Transportation Act of 1920 prevent any considerable reduction in its forces. Meantime, government regulation of railroads has been widely proclaimed a failure, physical valuation has been called futile, and a movement for government ownership is in full swing. But several thousand worthy citizens have made livings out of the commission for a quarter of a century while these conclusions were being reached.

The story of the last few years of government growth is well known. Just before we entered the war in 1916 there were 438,057 names on the federal payroll. War proved the greatest stimulus to government growth of all, and the bureaucracy reached its maximum size in 1918, when it employed 917,760 persons. Most of these, of course, were temporary employees, but apparently there is no such thing as shrinkage of the federal payroll to the pre-war size, for there are still over half a million government employees.

The Steps In Bureaucracy

IT is easy to see the main steps by which the Federal Government has grown. The most important one was undoubtedly taken by Andrew Jackson when he established the machine system of politics and the spoils system, for a political machine is powerful in accordance with the number of jobs it has at its disposal.

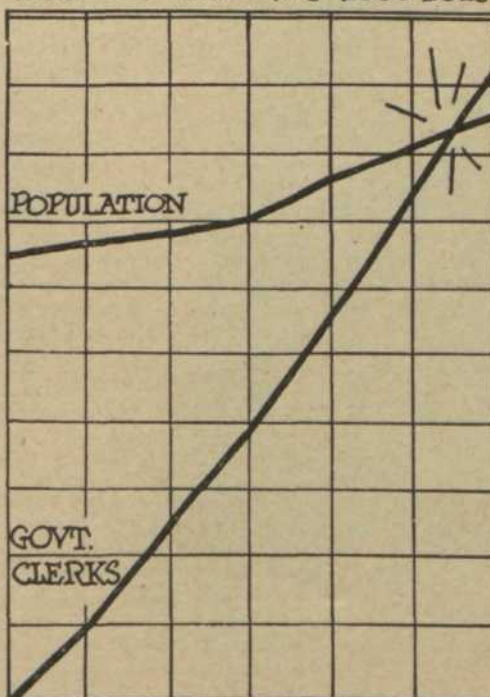
Then began the never-ending effort on the part of the politicians to create places for their henchmen, with nothing to stand in their way but that highly elastic organ, the Constitution of the United States.

The first great increases in the bureaucracy were made under the power of the Federal Government to collect and diffuse knowledge. The Department of Agriculture is the typical bureau of that sort. Then came the age of government regulation, which greatly increased the work of the Department of Justice, gave birth to the Interstate Commerce and Federal Trade Commissions and to various bureaus in old departments. Lastly, by ingenious stretches of the constitutional powers, the methods of federal aid to states on the fifty-fifty plan was invoked, and the Government went in for road building, vocational education, and latterly the care of mothers and infants.

It is evident that the one real check upon the growth of the Federal Government is the dire necessity that someone get out of the ground and through the factories the things to feed and clothe the federal employees. As long as production and distribution remain in the hands of the private citizen, the Government is self-limited.

But how long will that be? The Norris-Sinclair Bill, which was favorably reported by the Senate Committee on Agriculture, and had strong support among the Progressives, would have made the Government the chief agency in the distribution of food-stuffs. It is also seriously proposed that the Government go into the manufacture of fertilizers and the mining of coal. When production and distribution, as well as transportation and education have been made government functions, that millennium will be in sight in which all of us will work for Uncle Sam.

1900 1925 1950 1975 2000 2025



Graphic representation of what will happen when the total of government workers crosses the line of population.

"IF I HAD A BILLION DOLLARS"


AN UNPUBLISHED LETTER
BY FRANKLIN K. LANE

THE SECRETARY OF THE INTERIOR
WASHINGTON

MR. FRED C. KELLY,
Washington, D. C.

December 18, 1915.

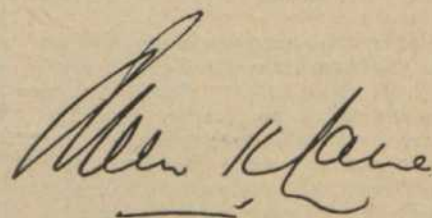
MY DEAR MR. KELLY:



I have your note asking me what I would do if I had a billion dollars. My mind is not large enough to understand what a billion dollars is, but I think my first duty should be to spend some portion of it trying to make the people of the United States understand that I should not have a billion dollars. It is not good for any man to have that much money. Then, I have a notion that with what I had left I would go out to such states as Idaho, Nevada, Utah, Arizona and New Mexico, and build great irrigation works, divide the dependent lands into small tracts, clear and level the land, and then say to any competent farmer who came along that I would build him a home and furnish him implements and stock, if he would pay me three per cent interest upon my investment. I would generate power at the dam site that would heat and light a house, chop the feed, run the sewing machine and cook the meals. I would make the school the center of the community life, teaching two things primarily: how to make a farm successful and the value of living in democracy. I would have a business manager selected by the community who would buy and sell for the community, and he would have as much brains and be paid as good a salary as the traffic manager of a railroad. The school would have matrons to teach the women how to care for children, as well as farmers who would teach the men how to care for hogs.

And this is not much of a dream, because this is the very thing that I would do if I had the money on our reclamation projects and our Indian reservations.

Cordially yours,



Business Needs No "Stop" Signal

By JULIUS H. BARNES

President, United States Chamber of Commerce

TODAY IN America we have a considerable degree of business activity and every evidence of a material prosperity. It behooves us to examine whether it is transient in character, whether it is menaced by causes which are now moving to its destruction, or whether it is normal, soundly based and carrying within itself the promise of continued development.

If we are to reach sound conclusions on this, we must ascertain certain trends, and the direction of these trends. That means we must use certain basic points on which to base these trends, certain statistics, if you will, which I hope to give you most briefly and to translate at the same time into human terms, which give them life and meaning. The ordinary comparison used today is pre-war—the 1913 standards by which we measure all that transpires in our economic life today.

We grant that war itself and the insecure peace which followed the war have destroyed the normal trend by which we measure human progress, but, nevertheless, we must not close our eyes to the fact that pre-war means today ten years of progress since the last pre-war normal year. We must not forget that not only have we ten years of normal progress but that those ten years have been accelerated in their development by the contributions of science and invention and mechanical aids to human development at a pace never before seen in any similar decade. I will show you what I mean.

Between 1913 and 1922, our population increased from 95,000,000 to 110,000,000. We have 15,000,000 more people to supply. The national income has increased from thirty-three billion to fifty billion. We have seventeen billion more of annual earnings to expend. The national bank deposits have increased from six billion to sixteen billion, an increase of 140 per cent in the evidence of the liquid wealth of the country.

Our savings accounts have increased from a total of four and three-quarter billion to seven and one-quarter billion, an increase of 50 per cent in the evidence of prosperity and thrift of our people. These are very significant changes in a decade, and they warrant an entirely new appraisal of comparisons with the period which is spoken of as normally pre-war.

The Spread of Our Wealth

WHEN we translate these changes to the individual, we find this to be true: that it took us forty years, from 1850 to 1890, to increase the per capita annual earning in the United States from \$100 to \$200; but it took us only thirty years, from 1890 to 1920, to increase that to \$600. That shows a rising trend of annual earnings which is very significant as holding out the promise of an enlarged and an increasingly enlarged buying, earning and saving power of our people.

Now, if we attempt to translate this into what it means in the individual home, we find again this ready method of comparison. Between the census of 1900 and 1920, twenty years of significant industrial development in this country, our population increased 40 per cent, and the volume product of our farms increased 38 per cent, so that we are securing the home production which maintains our people.

In that period the volume production of our mines, coal and metals, increased 128 per cent, showing that this base of all industry was adequately maintained and developed, and the volume of the products of our industry, the volume of fabricated products, in 1920, exceeded that of 1900 by 95 per cent.

The significance of that in human application is this: that if you deduct from that ever-increasing flow of factory product, those things which are of current consumption—food and clothing—and estimate the residue, as has been done by careful calculation, at 25 per cent annually, of addition to permanent household capital, the things we use for the further creation of wealth and earning power, it is a fair assumption that the average home in America in 1920 possesses three times the things that the home in 1900 had.

World's Richest Nation in 300 Years

YOU may check this roughly by your own observation of the recent increase in bathrooms, plumbing, phonographs, telephones, automobiles, and the thousands of things that add to the comfort of the people. So the very volume of our own production is in itself the most convincing proof that that earning power is most widely distributed, and the buying power which rests on it is more widely distributed than the world has ever seen, because manifestly if wealth were concentrated in the hands of a wealthy few, no such volume of goods could be manufactured and marketed in this country.

The result of this great increase of wealth production and wealth savings is that today America, after 300 years of existence, is the wealthiest nation in the world. America's wealth is estimated at three hundred billions of dollars, while the nearest approach to this is that of England with its two thousand years of history and with one hundred and five billions of dollars.

If it be true that we have a larger accumulation of wealth than the world has ever seen before, and have done it in less time than the world has ever dreamed to be possible, then we have something that it behooves us to preserve. If that wealth is more equitably and more widely distributed than wealth has ever been before in the world, then it is this nation's responsibility to preserve that system as the great guarantee of human life and progress.

Other countries have resources. Russia has the widest area of fertile land in the world today. It has vast forests. It has mines and minerals. It has a topography which lends itself to the construction of a more economical transportation system than our own. But Russia today has made no such contribution to the service of the world, because it lacks the American genius which has stimulated increased production by the individual and security in their acquired possessions which our political economy has ever assured to us.

When we compare the American philosophy with those we see in the older countries in Europe, we are ready at once to note the direct contrast between our own philosophy of enlarged production and that which rules

in other lands. We have a theory which we have sustained and demonstrated and proved by every analysis which can be applied that production itself by its economy and the security of its earning power which it itself creates, has vastly enlarged the area of common possession and thus greatly raised the general standard of common living.

Abroad, we find the old, fallacious theory that there is only so much work to be done; that by limitation on individual effort it can be divided among more wage workers and furnish more wage payment thereby. And we see a distinct slackening of the advance in common possession and of the common living in Europe which we have stimulated here.

So we have a right to take direct issue between this theory of social service, of stimulated and enlarged production on large scale manufacture, and that which rules in these older communities abroad. For instance, the theory that a man shall lay only 300 bricks a day when he can normally lay 1,200; the theory that an organization shall not introduce mechanical devices because it threatens the manual employes with unemployment.

These are the hardest things in the world to combat unless we have a living, vital illustration of the effect of the other theory. And that is significant today of American full employment and relative prosperity under its own peculiar production philosophy.

The effect of this is most marked in that industry which does not occur to you as a highly mechanized one, that of agriculture. The census of the United States shows that in the 20 years from 1900 to 1920 the number of workers in agriculture decreased by 1,700,000—1,700,000 fewer workers in American agriculture in 1920 than in 1900. Yet in that time the standard production of farm crops increased 20, 30, 40 per cent. In the pre-war year of 1913, for instance, the five cereal crops aggregated four and a half billion bushels; in 1922 they aggregated five and a quarter billion.

The wheat crop of today requires by careful estimate the expenditure of seven million days labor, but that wheat crop produced under the conditions before the harvester and reaper were invented, and the appliances which followed them would require 130 million days labor.

The Measure of Man Power

WE have saved 123 million days labor in the production of one of our five cereal crops by the American genius for invention and the substitution of mechanical appliances for manual labor. Were those workers released to unemployment and idleness? You know they were not. You know that only by this process can we find the workers to aid old industries in their expansion and to create the new ones, which science and invention are constantly placing before us. There is always an increased demand for labor by the very economies of displacement.

Abroad, they consider our figures of acreage production as showing inefficiency. We tell them their measurement is erroneous, that the proper measure is man power and not area, and we stand content and not without pride and point to our figure of 12 tons cereal production annually per worker, while

the rest of the world has $1\frac{1}{2}$ tons per worker. We put a premium on the man, on the individual; we have a right to do it; and we justify it by the whole course of our national wealth and national prosperity.

We are trying out some other experiments in government relation. We are trying a distinctly American theory of regulation by the Government of those things which touch the lives of all individuals. It behooves us as business men to accept those things which are fair and demonstrated necessary—that no power, no private power—shall have the right to make or destroy or affect the lives and prosperity of individuals and communities, without constituted authority having at some point wisely and fairly and generously the right to interpret their broad relations.

Now, I apply that to the question of railroad transportation in the United States. We are trying out in America the theory of regulation of this great facility. We see nothing in the record of state ownership and state operation abroad that does anything but condemn it in our eyes as utter failure, but we must ourselves cooperate to make regulation fair and generous and wise.

The transportation industry of this country has developed its efficiency along with other industry. When you remember that in 1875 the railroad car of this country was 65 per cent dead weight and 35 per cent earning, and that last year a special type of car for coal and ore was developed which was only 20 per cent dead weight and 80 per cent earning, you can see that science and invention and research have made progress in the railroad industry as in all other industry.

When you measure the progress of these railroads by those tests which we normally apply to test the efficiency of industry, you find that in the transportation service in 1913 166,000 ton miles moved per employee; in 1922, 243,000 ton miles moved per employee; in 1913, 19,000 passenger miles per employee, and in 1922, 21,600.

Moreover, that the same process is going on in relation to the necessary investment of capital by this great industry is shown by this very short comparison, that per \$100 of investment in railroads, in 1911, 1,375 ton miles were carried and in 1922, 1,750. So that if we test this industry by the efficiency of its working forces or by the economy of the administration on its investment, it measures up well with other industries and is entitled to public confidence and public encouragement.

In Europe, as here, the individual is at work, the earning power is clearly increasing, and the savings of new capital, the margin of earnings above the consumption of the individual, is clearly increasing. That proc-

ess is manifestly much slower there than in America because it lacks many of the stimulations which we have and which preserve it to our advantage. We have abroad new peoples who are beginning to demand a scale of living to which they have never before dared to aspire, and the thousand and one articles which we today accept as necessary to ordinary existence will shortly find a market in new quarters of the world.

those things which are real in the economic position of today. The very measure which we apply to industry, to the directors of industry and the efficiency of labor itself, is making more secure economy of production and the buying power of the people which rests on production.

I am astonished, really, at the feeling that the production of the worker is manifestly less than before the war. No authority thus far found has been able to substantiate that by exact figures; in fact, the figures within our reach manifestly point the other way.

These were the recorded conditions in this country in March of this year:

- Cotton consumption—the largest ever recorded;
- Pig iron production—the largest ever recorded;
- Steel ingot production—the largest ever recorded;
- Locomotive shipments—the largest ever known;
- Unfilled orders for locomotives—the largest ever known;
- Zinc production—the largest ever known;
- Bituminous coal production—only twice exceeded;
- Anthracite coal production—only once exceeded;
- Retail sales in ten-cent stores—the largest ever known;
- Mail-order sales—the largest ever known;
- Car loadings—the highest ever known at this time of year;
- Automobile and truck production, 346,000—far the greatest ever placed;
- Residential construction—the largest ever known.

These are real factors in the earning power and the security of industry in this country.

Moreover, although production has reached today the 1920 peak, the index of wholesale prices is 35 per cent below the 1920 peak, and you know what that means in security against unexpected deflation and the losses which follow price declines.

It is a time to keep cool heads but to keep also confidence and courage. It is a

time to appreciate that there has been an increase in the enormous requirements of the human being since the processes of human society are under way again as at present. It is a time to appreciate there is a surplus buying and saving power larger than generally realized and a steadily increasing earning power of every individual worker; and it is a time to calculate those factors coolly and courageously, and to base your business policies upon them.

I conceive it to be the peculiar American philosophy, social and political, that the prime function of government is to preserve fair play so that the individual may be stimulated by his own ability and character and effort to attain his own place in the social structure, and the next function of government is to make the individual secure in the rewards for superior initiative and superior service.



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Julius H. Barnes, completely surrounded by Italy, snapped in undress uniform during the meeting of the International Chamber, at Rome.

There is a vast vacuum of human need in Europe, so vast a vacuum of human needs all over the world that it will maintain tremendous factory production when this operation starts, and it will start when government conditions of stability allow free play to the spirit of enterprise and secure the rewards of private enterprise.

When this movement starts, America, which is the leader in large scale production, will always attain its share. And the day is starting soon. We have demonstrated at home that we have an enormous absorbing power from the earnings of our people. We do well to caution against over-expansion. We do well to avoid the mistakes which may follow inflation in the hoped-for expansion of business which now looks within our grasp. We do well to remember the lessons of 1920 and 1921 and be cautious.

But we do well also correctly to appraise

Sometimes, They Just Happen

THAT ALL industrial progress is measured in terms of hard work is a sort of copy-book axiom of our youth that has been kept alive through long years. As a matter of cold fact a considerable measure of industrial progress is due to mere chance.

During war times we found to our sorrow that Germany held almost a monopoly on the manufacture of dyestuffs. Prominent authorities hold that the German dye manufacturers, being properly warned, looked ahead to the time when Germany would be cut off from the rest of the world by war. The warning hastened their research for a synthetic indigo to replace the indigo imported from the Orient. The problem of making synthetic indigo was a tremendous one and one which caused German chemists years and years of costly research work. Ach! This problem of a most baffling nature must, of a certainty, be solved!

So, with characteristic German patience and doggedness, the experiments were still carried on. They had reached a stage in their work where synthetic indigo was produced, but the cost of manufacture was so high that the product could never hope to be generally utilized in dye manufacture.

During the course of the experiments an accident occurred, and on this accident success hinged. While taking the temperature of a vat of the experimental fluid, a thermometer broke. The chemists swore a volley, and the work proceeded. At the conclusion of the test it was found that an unusually large yield of indigo resulted.

The chemists at once attached significance to the broken thermometer, and the increased yield and subsequent tests, using certain varied proportions of mercury to the mass, proved the soundness of their suspicions. Thus was a long, costly and eminently successful research terminated by reason of an accident. From this point Germany controlled the export trade on indigo dyes, and in the Orient the owners of large plantations wailed and bemoaned the unpleasant fact that there was no market for their indigo.

When Ice Caught Fire

FROM the time Drake drilled the first Artesian oil well, oil men experienced trouble with their gas lines in freezing weather. The lines would become plugged with a slushy ice which prevented the natural flow of gas from the wells. One day a man opened a gas line filled with this ice and proceeded to thaw it out with fire. To his astonishment the ice began to burn merrily in a great crackling blaze.

He was a man of just a little more than normal intelligence. He reasoned that the stuff which burned so fiercely must be natural gas in a semi-solidified form. Natural gas in a liquid form would be a form of gasoline, he believed.

The next spring he tested out his theory. He built a small still and installed it in a cold spring and pumped his natural gas through the cold still. The results more than pleased him. The resultant condensate was gasoline! That summer he made about 400 gallons which he sold to refineries for six cents a gallon. This, you must remember, was before the advent of the internal-combustion engine and gasoline and benzine

By HARRY BOTSFORD

were by-products of oil refineries which they were glad to sell for ten cents a gallon.

The process started by the oil man is in use today in every oil field. True, there have been many refinements in the process, but the basic plan of condensation under cold and pressure is still the same. Casing-head gasoline, as it is called, is made in millions of gallons today and is a big factor in keeping the price of gasoline within reach of the motorist and user.

A Revolutionary Hen

ONCE the process of sugar refining reached a certain stage and remained there. The refining was a slow and tedious process—costly too. One day an innocent hen showed them the way to a faster and more profitable method of refining. The hen—humble instrument of progress!—walked across a puddle of mud and nonchalantly strolled across a vat filled with sugar in the process of being clarified. An irate foreman seized a scoop and chased the cackling fowl away.

Still muttering, he returned to the vat to scoop out the mud tracks, and as he bent to the work he noticed that wherever the hen had stepped and left traces of mud, there the sugar was pure white. He called the superintendent, and the investigation which followed not only hastened the clarification of sugar but it has given us cheaper sugar.

John Wesley Hyatt lived in Albany and was a printer by trade and an inventor by inclination, spurred on by a keen desire to make money. One day he read that a certain newspaper offered a prize of \$10,000 for a satisfactory substitute for ivory. Elephants were being killed off in Africa in such alarming numbers that paternal European governments had taken steps to curb their slaughter by putting the elephants under the protection of stringent game laws. This restriction, coupled with a high export duty, had brought the world to a place where the question of ivory substitute was a vital one. The newspaper attempted to solve the problem by offering the large prize.

Wesley read the advertisement and immediately, with the optimism of youth, decided to annex the prize money. He carried out experiment after experiment with no success. His meager salary as a printer prevented him from making many experiments.

One day he finished his work of type setting with a finger worn raw. He went to the shop medicine cabinet and got out the bottle of liquid cuticle frequently used by printers. He found the bottle had been tipped over and the collodion had run out. The solvent had evaporated and the resulting pyroxlin had solidified on the shelf. Wesley forgot his raw and smarting finger. He tore the substance loose and moulded it in his fingers and conceived the idea of making a plastic of it.

This was accident, but it was the basic idea on which subsequent experiments covering a period of years were based. It was only after the addition of camphor that he discovered that the plastic could be placed in a hot press and moulded into a desired shape. This happened years ago—1872, to be exact—and the resultant matter is com-

monly known today as celluloid. In passing, it might be mentioned that some of the original machines designed by Hyatt are in use today in the old factory, which is still running!

The relation of this incident of the cut finger brings to mind a similar incident with far-reaching effect. This also relates to the manufacture of collodion and cellulose. Nobel, known all over the world as the donor of the Nobel prizes for outstanding achievements which promote the arts of peace, is the hero of this tale. He had been seeking for some time a proper absorbent in which nitro-glycerine could be soaked to make an explosive which could be safely transported.

He treated a cut finger one day with collodion, and while waiting for it to dry the idea occurred to him that perhaps here was a material which he could mix with nitro-glycerine, thus using a solid explosive to absorb a liquid explosive. The following experiments proved the soundness of the chance theory, and the result is known as blasting gelatine, which is stable and sufficiently safe to be transported.

A small wood-working plant in Indiana burned to the ground and the owner was rebuilding. He was short on cash but long on ideas. It was necessary to have a large number of wooden pulleys for his shafting. Poking around in the ruins of the burned mill he came across two burned halves of a wooden pulley and wondered, vaguely at first, why wooden pulleys could not be built in two pieces and fastened on a line shaft without all the bother of taking down a shaft every time a new solid pulley was placed. He worked out a solution to the problem and gave the industrial world the split wood pulley—a simple thing, too—which was the greatest invention ever made in the mechanical transmission of power from prime mover to driven line shaft.

An engineer was working on a new type of phonograph horn. One of his assistants misunderstood directions for making an experimental horn and, instead of increasing the thickness of the horn as the area increased, did exactly the opposite. When this type of horn was tried it was found to be very successful and marked a big step in the science of acoustics and diacoustics. The principle was so sound, so it proved, that a basic patent was issued covering the point.

When Everybody Laughed

A YEAR ago a certain engineer made the statement that mechanical progress had reached its peak. That man has been almost laughed out of his profession. No one knows and only a few have even a vision of the limits of mechanical and industrial progress. Engineers and chemists and dubs who know nothing of either are working today on problems of great moment to industry.

Tomorrow, next month, next year—some time they will find the answer. Eventually these keen-minded and patient individuals will find the solution they have been seeking. Whether the solution will come as the result of hard and painstaking work or whether it will be through the accidental route or whether it will come through a combination—it matters not; and the answer is entirely in the balance.

The Mid-West Traffic Jam

By HUGH J. HUGHES

Director of Marketing, State of Minnesota

THE MIDDLE WEST has often made a lot of fuss about lack of freight cars in which to carry on the normal seasonal hauling from the farm to the consuming centers. It seems to me that we have heard the same story repeatedly.

There is more than a probability that we shall hear it again. Perhaps time is well spent in sifting out the facts in the situation provided we hit on the trail of some possible remedy.

First then, as to the car situation westward of the Chicago "gateway." What happens is this: The movement of freight, measured in bulk or in total of cars needed, is greater eastward than it is westward, for the reason that a very large percentage of all shipments of farm produce carries a lower ton-value than the things for which these products are exchanged, such as groceries, hardware, lumber supplies, farm equipment and the thousand and one other things that go to make up the purchases of the middle west. An illustration will serve to show the situation. Suppose one hundred cars of farm produce leave Sunville, a way station out in Kansas, and that is all the out-business done by Sunville that year. Evidently the sale value of that one hundred cars represents the buying power of the town of Sunville. Suppose each car to be worth, sale value, \$1,000. Then Sunville gets, and can spend, \$100,000—and no more, unless its credit is good, and it wants to bet on the future.

So Sunville buys machinery and groceries and what not—up to the hundred thousand dollar line. Then, or about then, it stops. But the things bought come in fewer cars than the things sold required to carry them. The upshot of the matter is that Sunville loads out one hundred cars and brings in, loaded, say sixty cars. The railroad that runs through Sunville has to haul forty "empties" into that burg in order to get the out business cared for. And hauling "empties" is poor business.

Multiply Sunville into all the towns of the middle west, and the one railroad by all the railroad systems in the country, and you have a fairly correct picture of the situation. Heavy out-bound traffic, light in-bound traffic. An immense migration of empty cars necessary if the seasonal movements of the crops of the nation are to be properly cared for, and—may I put it softly?—no burning desire on the part of the non-interested roads to furnish empties, when, by waiting a bit, a profitable westward-bound load could be picked up.

We are all human, even the railroads. We all like to do a good stroke of business. But we hate like fun to work for nothing. So when the car of wheat from Sunville has found its way to Baltimore, and the car stands empty on the track, the first concern of the road holding that car is to put it to work, or, at least, to let other cars work if some of them must stand idle. The fact



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that cars are desperately needed in the Kansas wheat towns and up in the Dakotas does not register very hard on the mind of the division superintendent in Maryland who happens to be short of engines and train crews.

For that reason, clothed in a hundred different garbs, when a western car gets on an east-of-Chicago line, its return to its parent road is far from being a certainty, either as to time or direction of arrival.

This movement from western to eastern lines is unavoidable. Every road in the country aims at providing enough equipment to care for its own business, but no single road can furnish enough cars to take care of the shipping demands of its patrons when the peak of the year's out-bound traffic arrives. So, for weeks together, each day sees the car resources of the western roads diminish as the cars loaded on their lines move off their rails on to eastern lines. By the middle of the crop-moving season eastern side tracks and terminals are glutted with cars moving under load or waiting their turn to unload, or standing idle on track waiting for a chance to go back home, or moving westward, either empty and without profit to the carrier or else hauling such a picked-up load as the chances permit. And it is this absence of cars from the western lines where they are wanted, and their presence on the eastern lines where they block traffic, that creates the annual "car problem" that we hear so much about.

I don't need to tell you what sort of a situation that develops—glutted elevators, grain threshed on to the ground, potatoes frozen and undug, bills unpaid, business throttled, prices hammered down at the farm end and up at the consumer end and nobody, unless it be the professional speculator, one whit the better off.

Outgrowing Our Roads

THE real reason for our "car famines" is that we are growing faster than our roads to market are being developed. We will continue to grow unless the middle west is strangled for lack of transportation. Let's take a look at what happened last season—and will happen again and again until we find a remedy.

Liverpool is the world's market for wheat. The price of wheat in the middle west is normally Liverpool minus freight and handling charges—in other words the Liverpool quotation, less some twenty-five to thirty-five cents per bushel, backed up to the South Dakota, Nebraska or Montana elevator.

At the end of last August the four great trunk lines serving New York from the

Great Lakes ports placed an embargo on wheat. This embargo clogged the elevators at Buffalo. They filled up with wheat, and the lake rate from Duluth shot up to two cents per bushel with an \$800 per day demurrage clause in the contract. This meant about 3.5 cents per bushel instead of 2.25

cents, the usual charge. In addition, the immediate New York price advanced five cents above the transportation cost, making the minimum spread between Duluth and New York better than six cents above the cost of transportation. This is for October 2.

Under date of October 9, 1922, a letter from a grain firm in New York says:

The lake freight is now six cents, to load at once with demurrage clause, and eight cents to hold in storage boats. This puts the wheat in the northwest on an all-rail basis, and the Great Lakes might just as well not be on the map. So there is still this four or five cents excess lake freight plus about the same amount of profit which could be secured if the grain could be moved. In other words there is just ten cents a bushel taken out of the hands of the producer.

What Hit the Farmers

BY October 13 the situation had become even more serious. A letter from the Duluth-Superior Milling Company says:

The rate is now six cents per bushel (Duluth to Buffalo). Grain receipts in Duluth have fallen off because we cannot get shipments out. We were five to six cents under Chicago the other day.

With business normal you can run a bushel of wheat from Duluth down the Great Lakes, across to New York, and over to Liverpool, for around fifteen cents. . . Now see what happened with a clogged rail system and the lake ports blocked so that shipment via the Great Lakes was virtually cut off. Julius Barnes is responsible for the following figures:

Spread in prices between Duluth and Liverpool, on December Durum:

	Cents
Aug. 2, 1922.....	37 3/8
Aug. 9	42 3/8
Aug. 16	41
Aug. 23	36 3/4
Aug. 30	35
Sept. 6	36 5/8
Sept. 13	34
Sept. 20	32 1/2
Sept. 27	37 3/4
Oct. 4	39 5/8
Oct. 11	43 1/8
Oct. 18	45 1/2
Oct. 25	45 5/8
Nov. 1	45
Nov. 8	42 3/8
Nov. 15	43
Nov. 22	47
Nov. 29	46 1/4

Now add to this terrific spread the fact

that the congestion at the lake ports was reflected back at practically every country elevator in the northwest, and that the sag in prices automatically ran with the car shortage until, with the elevators filled, the local dealers quit buying. Then you begin to have a fair picture of what hit the farmers of the middle west last year, not in grain alone, but in every commodity line.

Case after case could be worked out showing that the chief cause of our stalled transportation is lack of ability to carry the load that the natural growth of the nation throws upon the railroads of the country. And if that is the existing situation, what is going to be the state of affairs in another decade, or say in twenty years?

I take it that we are marching forward in our national growth, that somehow, by hook or by crook, we are going to give our increasing millions work to do and food to eat. In 1893 our rail tonnage per capita was 10 tons; in 1920 it was 20 tons; in 1940, only a bit around the corner, it will be, at the present rate of growth, 35 tons.

Can you imagine mere rail construction keeping up with the growth of commerce, when the total population is growing as it is in America and when the tonnage per capita grows at such an amazing rate? In from fifteen to twenty years the present tonnage carried by the railroads of America will be doubled—if!

But we must admit the alternative. If the means of transportation fail us, then stagnation will set in—and there are signs that it has set in already. Our problem is an immediate and a pressing one.

ing costs are concerned, also can produce. Devils Lake, North Dakota, or Salina, Kansas, are farther away from Liverpool, taking rates as the measure of distance, than far-off Melbourne, down in Australia. The middle west is separated from the market centers of the world, both those along the Atlantic seaboard as well as those in Europe, by a rate barrier that is broader than any ocean, one that lets the Argentine, the Ukraine, Australia, South Africa and New Zealand take the distance handicap and come in with plenty of daylight to spare.

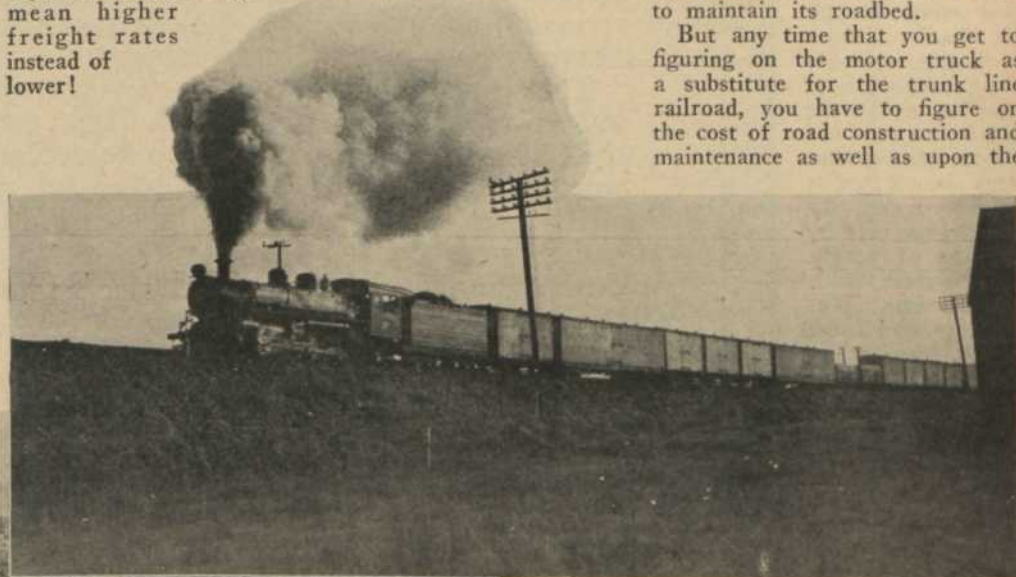
This situation is not going to be settled merely by a bit of new construction—side tracks, terminals, etc. Even while the railroads are talking about these improvements (and they are necessary and must come), they are also talking about bond issues to finance them, and costs of operation, and about rates high enough to bear the load of expense. These things mean higher freight rates instead of lower!

figure out lower rates on that sort of a deal can make a horse eat sawdust and get fat.

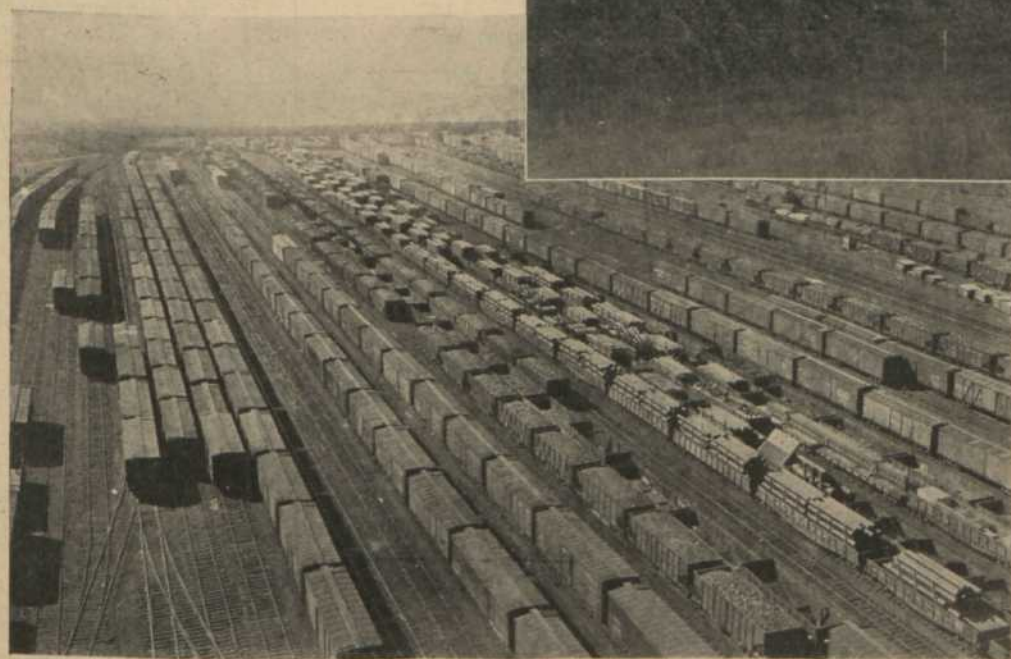
Even if higher rates were not a matter of necessity, the logic of the argument is in their favor. The roads enjoy control of the traffic. They are not bidding for tonnage. Perhaps, locally, yes. But, by and large, the tonnage comes unsought and it is piling up faster than they can take care of it. Why should they worry whether Bill Jones' car of spuds nets Bill his growing costs? Let Bill raise and ship pianos if spuds don't pay! So, short of some other solution of the rail rate problem than that suggested, the case for the individual farmer of the middle west, and for that agricultural two-thirds of our nation as a whole, looks gloomy.

A lot is being said, these days, about the motor truck. And a lot can be said for it. It is beating the local freight delivery to a frazzle, because of just two things. It gets there sooner and it doesn't have to maintain its roadbed.

But any time that you get to figuring on the motor truck as a substitute for the trunk line railroad, you have to figure on the cost of road construction and maintenance as well as upon the



© Ewing Galloway



© International News Reel

When a picture like this—a close-up of the terminal yards of the B. & O. at Baltimore—cannot be taken anywhere in the country, the marketing troubles of the middle west will be about over. But if that day ever comes it will only be after a tremendous investment in terminal and trackage facilities, and on that investment the public will have to pay the interest charge. Otherwise it will never be made. And, says Mr. Hughes, "anybody who can figure out lower rates on that sort of a deal can make a horse eat sawdust and get fat."

Our distance to market and our price level is set, not by miles, but rather by the cost of hauling from the middle west to the basic markets of the world. The things that we have to sell, sell at the world-market price, less this cost of transportation; the things we have to buy, we purchase at world-market production cost, plus the cost of transportation. So high rates hit us both coming and going—and they hit us hard. The things we have to produce—grain, live stock, dairy products, and the rest of the farm output, other lands, situated more favorably so far as haul-

When the Chicago gateway has been belted so well that delays are eliminated, when the seaboard terminals are provided with all necessary facilities to handle their receipts, when the trackage facilities are such that the ever-increasing volume of freight rolls along smoothly and quickly—if that time ever arrives!—it will be a tremendous outlay of cash that will reappear either as stock or bonds of the railways. Upon these additional investments the public will have to pay interest charges. Otherwise the investment won't be made. And anybody who can

cost of delivery service. And the motor truck operates in too small units ever to bring the ton-mile cost of hauling down. Rather its advent increases the total costs of delivery from grower to user.

Quickness of delivery, individuality of service, both are in its favor. And if somebody else can be made to pay the added cost, all is well. But when we are talking about moving the in-and-out traffic of two-fifths of the nation, with the basic price paid by the outsider, and set by him, it's a fairly good guess that he's going to let the middle west absorb its own motor-freight charges as their excess appears over and above that of the rail freight.

The man who is growing food at a loss can go into some other line of farming where the car-lot value of the thing he produces can stand the rate it carries. But that's not a solvent for the regional rate problem of the Mississippi-Missouri Valley. It puts the individual in the clear, but leaves the trouble right where it was. Let's abandon the idea, now and forever, that we are at the top of our achievement—that the middle west is full-statured—that the era of development that set in about 1840 is over. The middle west is just beginning to grow! Its power in that direction is measured by just three things: the temper and ability of its people, the extent of its latent resources, and its ability to combine these in production and to bring the product to the markets of the world at a price that the world can consider.

"Uncle Henry" Wallace, father of the present Secretary of Agriculture, found that the average Iowa farmer, because of his mas-

tery of machinery and broad acreage, was some six times as efficient, man for man, as the best farmers of Europe. And the Iowa farmer is a pretty good average of the rest of the farmers in the middle west.

I was talking one day, a few years ago, with a professor from an agricultural college in Japan. And he told me about the food supplies of Japan—how practically all the essential foods of that empire were home grown—so I asked him, "What is your tilled acreage?" and he told me that it amounted to about ten thousand square miles.

I figured it out for Minnesota. Draw a line east and west through St. Paul. That part of the state lying to the south of that line equals the tilled acres of Japan. And on that area enough food is raised to care for the wants of fifty millions of people.

Of course that's one extreme. Nobody is talking about farming on the Japanese basis or about living on the Japanese level, but before we talk about our resources being fully developed, think of Japan and then think of our almost measureless latent resources—the cut-over lands of the north and the delta lands of the south, the unused acres in every state, the half-tilled farms in every state, the possibilities of better, more productive farming right next door—on our own farms, if you please.

I'm driven to the conclusion that there is but one fundamental solution to the rate problem of the middle west. That is the development of our river and lake transportation, the opening up of new outlets for our bulky commerce, the freeing of the railroads from the burden of caring for the immense low-value tonnage that now pours down upon them like a flood and blocks the more valuable and better paying commodities.

But river routes, however well developed, are worthless unless they have terminals and unless these terminals and landings are connected by transfer facilities with the railroads that reach the back country.

Up to the time that the motor truck came along, the railroads had things their own way. The motor truck may help to bring

about the needed cooperation between the rail and water carriers for this reason: the water rate is below the rail rate. For overseas carrying this rate is about one-tenth the cost of an equal distance land haul. For the Great Lakes, with their specially designed ore and grain carriers, the profitable rate is even less, for the river transportation the

work out in actual operation remains to be seen. If it does work out, the Ohio becomes, not a water-gash between the hills, but a highway of commerce as wide as the water-and-truck rate can be made to pay. And the same for the Upper Mississippi, the Missouri, and for their tributaries not yet considered in any national scheme of water-truck-and-

rail transportation. This means the switching of traffic from an east-and-west direction to the least-cost direction, which is along the lines of water-flow; down the Mississippi to the Gulf, reloading to Europe at New Orleans. It means that the Great Lakes-St. Lawrence Waterways canal down the St. Lawrence will be dug and that ocean shipping can moor in the harbors of the Upper Lakes. It means sea rates into the harbors of Cleveland, Detroit, Chicago, Milwaukee, Duluth-Superior and the other Great Lakes ports, and a land rate to the middle west cut down from 1,500 to from 300 to 500 miles. It means a combined sea-and-land rate favoring the entire middle west amounting to from five to ten cents per bushel on out-bound commodities, and a like substantial slash on the in-bound freight costs.

It means something else worth while. It means that, with the burden of this bulky, low-value tonnage diverted from the trunk lines of the east, those lines would go after and develop their own regional business and could serve it better than they can now, and that, too, without bur-

dening the nation with the tremendous maintenance and rebuilding costs that appear inevitable unless such action is taken.

The full development of our water navigation, with proper coordination with the railroads, and assisted by motor transport, means, in a word, the use of water transport for bulky, low-value freight hauling, or for long through hauls where such transportation makes good connection, and for the higher-valued merchandise and other commodities a better, faster, rail service.

And for the middle west this program means release from the rail-rate strangulation that is now upon it.

The Spirit of Transportation

IN THE four pages following, The Nation's Business presents, in full color reproduction, the second series of paintings by leading American artists interpreting The Spirit of Transportation.

The creation of these canvases was the result of an invitation extended by Eugene B. Clark, president of the Clark Equipment Company and the Clark Tractor Company of Buchanan, Michigan, to twelve of America's most talented artists to portray, each in his own way, his conception of the idealism of transportation. A bonus prize of \$1,000 was offered, in addition to the payment made for each painting, to add zest to the friendly competition.

In the May number appeared paintings by:

FRANK X. LEYENDECKER
GEORGE ELMER BROWNE

FRANKLIN BOOTH
WM. MARK YOUNG

The artists whose work is reproduced in the following pages are:

JAMES CADY EWELL
R. F. HEINRICH

F. LUIS MORA
ALPHONSE MUCHA

The Special Number of The Nation's Business, to be issued immediately after the Annual Meeting of the Chamber of Commerce of the United States at New York, and prior to the regular July number, will contain the remainder of the series, paintings by:

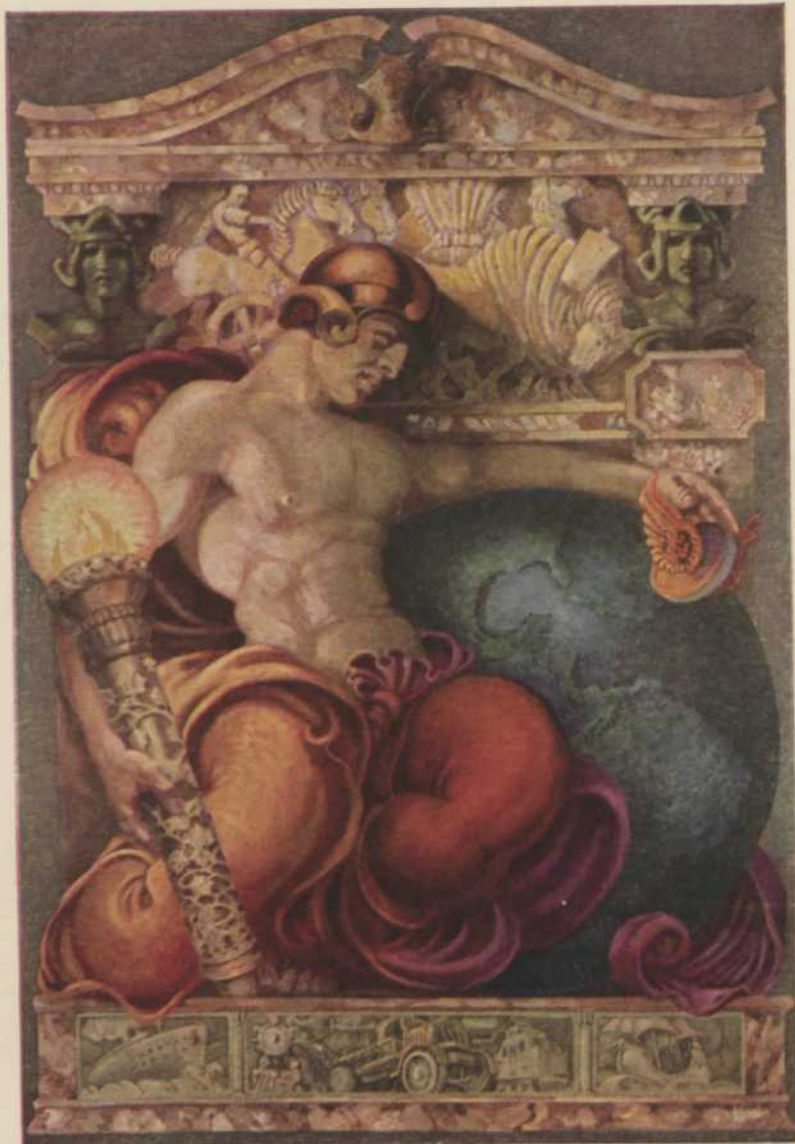
COLES PHILLIPS
JONAS LIE

MAX BOHM
MAXFIELD PARRISH

rate lies between the ocean rate and the rail rate, but low enough so that if any fair distance is covered by river, the motor truck can pick up the load at the river bank and carry it back into the country a very considerable distance before the combined river-and-truck through rate is overcome by the all-rail rate between the same terminals.

Put it another way: The motor truck brings all the cities and towns and villages along a navigable river within reach of the steamboat landing, and the railway either must meet the competition or let the boat and truck have the business.

That's the logic of it. How far it will



James Cady Ewell,

©1922, Clark Equipment Co., Buchanan, Mich.

MR. EWELL portrays the theme with an heroic figure seated in an arch holding in his right hand the torch of progress and in his left a winged wheel, symbolic of transportation, which he throws across the globe. At the top are seen ancient forms of transportation, camels of Egypt, oxen of Greece and chariots of Rome. At the base is a triptych showing at the left a modern ocean liner; at the right a caravel of ancient Venice and in the center three modern methods of transportation—the steam engine, the electric locomotive, and the motor truck.



R. F. Heinrich,

©1922, Clark Equipment Co., Buchanan, Mich.

MR. HEINRICH depicts his theme with a virile scene of modern life. A train of giant heavy-duty trucks demands the right of way and crowds from the road an aged mountaineer—symbolic of time—who with his ox team steps pathetically aside to let progress pass.



F. Luis Mora,

©1922, Clark Equipment Co., Buchanan, Mich.

MR. MORA draws his inspiration from a cavalcade of laden elephants coming down from the Himalaya Mountains, which is arrested on the edge of a precipice by a mirage which takes shadowy form in the clouds; they discern it to be a motor truck speeding through the heavens. Off in the distance a fleecy cloud takes form as an aeroplane—a vision of the transportation of the future.



Alphonse Mucha,

©1922, Clark Equipment Co., Buchanan, Mich.

MR. MUCHA portrays what he terms "The American Mercury." The heroic figure of an American workman with typical nonchalance wears the winged crown of Mercury askew upon his head. In his right hand he holds tools of industry. On a plaque in his left hand is a modern motor truck—America's contribution to transportation. The boy holds an interlocking spur and internal gear wheel, symbolic of mechanical fabrication. In the background are seen primitive transportation and labor from which "The American Mercury" has relieved the world.

Keeping Retail Business Clean

By LOUIS E. KIRSTEIN

Of Wm. Filene's Sons Company

A GOOD rule in business house-cleaning is to start at the top. We have found that true in the work of the Better Business Commission in Boston, and the reason was good.

The men who were back of that movement began to go into the advertising of the large houses. They insisted that they could not ask a small merchant to run clean advertising if he could point his finger at our big institutions and say, "How about this fellow? Why don't you clean him up?"

"So their procedure was sound, and their findings interesting. After a short time the Commission, making rapid progress in cleaning up the advertising of large stores, devoted its attention to the smaller houses; and they, in turn, noticing the changes being made in the large stores' advertising copy, quickly fell in line with the recommendations of the Commission.

One example will make plain how the unimportant lapses of large houses may be used as justification for the more serious sins of others:

Years ago a seal coat was known as a coat made of Alaskan sealskin, and was highly regarded by both merchants and consumers. About twelve years ago manufacturers and dyers discovered that by trimming down muskrat pelts and dyeing them black they could produce a fur that looked very much like dyed sealskin and that dyed muskrat pelts could be made into a coat about one-half the weight of a sealskin, to sell at about one-half the price.

Now instead of calling these coats muskrat, they were called Hudson seal.

Merchants, honest ones, will tell you that no harm is done by this; that the buyer of a Hudson seal coat gets her money's worth and knows what she's getting—knows, in short, that Hudson seal is dyed muskrat.

Grant that; yet in my opinion the phrase Hudson seal has been responsible for more fraud in the fur business than any other words or combination of words can ever be. Soon after Hudson seal became popular, fur handlers found that rabbit fur could be trimmed down, dyed and turned into a very fair imitation of "Hudson seal." But was it called dyed rabbit? Oh, no! It was called by every variety of seal—Arctic seal, Baltic seal, Bay seal—but never rabbit. The seal was moved farther and farther from his Alaskan home, but still the name seal remained. It wouldn't surprise me to learn that mountain goat fur was trimmed down, dyed black and called mountain seal.

Now when a Better Business Commission complained to retail advertisers that it was unfair to send the rabbit out into the world as a seal, their answer was, "If muskrats, why not rabbits?"

In other words, the Hudson seal offered the alibi to the dealer who really wanted to misrepresent, who would, so far as possible, avoid explaining that the thing he sold with a seal name was really only a rabbit. The next step was to get everybody to agree to

How honest must advertising be? What harm is done in describing a hairbrush as "French Ivory", when every buyer knows that it never saw an elephant?

There is a wrong done—a very real wrong, and all over the country Better Business Bureaus are urging the need of house-cleaning.

Here's what Boston is doing, and we have asked Mr. Kirstein to tell us, not because Boston is better or worse than the thirty other cities where the same movement is being carried on, but because its experience shows what, not only thirty, but three hundred communities ought to do.—The Editor.

call all furs, including Hudson seal, by their right name; and that is why fur advertising, in Boston at least, is getting more and more and more honest.

What I have said about the necessity of house-cleaning from the top illustrates another point. It isn't safe to dismiss misrepresentations as too trivial to bother about. They are seized upon by unscrupulous traders to justify outrageous misrepresentations. To say that everybody knows that toilet articles of "French Ivory" or "Paris Ivory" couldn't be made and sold of real elephant ivory at the prices asked, is begging the question.

It may not mislead one buyer in a hundred; it may never mislead any buyer; but it sets up a wrong standard; it lets the dishonest dealer use some trick phrase that does mislead buyers. That is why the Better Business Commission would have the men who sell such goods call them imitation, manufactured or artificial ivory.

The Commission in Action

SO LONG as legitimate merchants countenance trivial misrepresentation, they are opening the door for fraud on the part of those who have real intentions of dealing dishonestly.

There is one more reason for house-cleaning from the top down. There are times when concerns do not see the wisdom of doing business honestly, and legal action is necessary. Such action is more effective if the Commission can show that the leaders in business are following the practices urged by the Better Business Commission.

How does the Commission work? By telling business men through bulletins what good practice is, and by checking off advertising against the goods actually offered for sale. For this latter purpose the Commission sends out professional shoppers. They are not merchandise experts, nor are they detectives. As nearly as possible they represent the everyday folks who in good faith buy the goods advertised and who suffer if goods are sold them unfairly.

These shoppers report back as to whether the advertising was or was not truthful and as to the service rendered by the store, good, fair or poor. An adverse report is made out on a pink slip, a favorable one on blue; and whichever it is, it goes to the store whose advertising has been investigated.

The next move is the merchant's. He may, in fact, he usually does, agree to make such changes in advertising and labeling as the Commission recommends. He may take a "none-of-your-business" attitude. If his offense is gross enough, the case may be taken to the district attorney's office for prosecution as fraud.

Look over some of the "pink slips" that lie before me as I write. Here's one:

DATE Times—March 13, 1923
STORE P. L. Company
ADVERTISEMENT
"New Spring Coats and Suits at Substantial Reductions"

REPORT: J 948

At 10:15 A. M. I entered shop and was approached by salesperson (Mrs. X). I asked to see coats and was shown several attractive high-priced models. I inquired for the coats advertised at reductions and was shown several which, in my opinion, were not spring coats. I asked S.P. if these were the spring coats advertised at reductions. S.P. replied they were not late spring coats but were very suitable for immediate wear and had been reduced. I purchased suit fairly representative of the offering.

The suit had fur collar and was of the weight and style of last fall suits. In my opinion advertisement is incorrect in offering fall merchandise under a heading of "New Spring Coats."

VALUE POOR

ADJUSTMENT:

Mr. Pl. said he was very sorry this error had occurred and stated it was the fault of his advertising manager, as he intended that these coats should be advertised as "Suits suitable for early spring wear." He had taken case up with advertising manager and gave assurance it would not occur again.

A new age in retailing when anyone will question so general a statement as "New Spring Coats and Suits at Substantial Reductions." There was a day when "substantial reductions," "best values in the city," "all prices reduced," were commonplaces which nobody questioned (and not many believed), while the man who would expect that a "fire sale" must be preceded by a fire would have been regarded as most unreasonable.

The problem of definition—a vexed one in advertising—arises frequently. Shall the dealer always call a spade a spade? Can a word that sounds like silk be used to describe a material that looks like silk but isn't? Here's a typical pink sheet:

DATE Times—March 3, 1923
STORE A.B.C. Dept. Store
ADVERTISEMENT

"Serge Dresses, \$4.00"

REPORT: D 135

At 10:00 A. M. I inquired of floor walker on 1st floor front, as to location of serge dresses advertised. He courteously directed me to 3rd floor, where I was approached by salesperson (blonde hair, medium height), who pleasantly offered her services.

I asked for serge dresses advertised, and was shown a fine assortment. I asked S.P. if

these were all-wool and S.P. said, "No, they have some cotton."

In my opinion the word "serge" denotes to the public an all-wool fabric, and I believe the advertisement was incorrect in not stating the contents when other than wool. I would suggest the term "cotton-and-wool serge."

SERVICE	GOOD
VALUE	GOOD

ADJUSTMENT:

Mr. Jones felt we were taking a very technical stand, as all kinds of serge were sold in the trade. I called his attention to the fact that his advertisement was for the public and that in our opinion the public considered "serge" and "wool" as synonymous. Also called his attention to bulletin we issued on serge, suggesting that the content be specified. He finally agreed point was well taken and will qualify in future serge either all-wool or wool-and-cotton.

One more report from these pink records of bad business:

DATE March 14, 1923—TIMES.

STORE R. T. Store.

ADVERTISEMENT "1c sale—2 Jars of Country Brand Jelly for 24 cents. One jar extra, 1c."

REPORT: C 19

In my opinion the public has a right to expect that the regular price of this country brand jelly is 2 jars for 24 cents or 12 cents a jar and that there would be a saving of 11 cents by buying 3 jars during the sale.

Several days after this sale, I shopped the store on these same items and found that the regular price was 2 jars for 19 cents, on an average of 9½ cents a jar.

The saving under the 1 cent sale was not 11 cents, as, in my opinion, the customer had a right to expect from the advertisement, but a saving of 3½ cents.

SERVICE	GOOD
VALUE	GOOD

ADJUSTMENT:

Mr. X. felt that as long as the public made a saving by the 1 cent sale, that advertisement was correct. Pointed out that we had no complaint against a 1 cent sale as long as the advertising was correct. He agreed that store should not raise the price over the regular price in order to include an additional article for 1 cent and will not do so in future.

Those will serve to show how high a standard the Commission sets and how rarely is the dealer unwilling to change his methods when they are under fire. Sometimes the Commission seems almost to lean over backwards, as in this case.

DATE March 12, 1923—Times.

STORE X. Y. Z. Store.

ADVERTISEMENT

"Sheets 81x99"

REPORT: C 19

At 3:20 P. M. I shopped on above item and asked for sheets size 81x99. Salesperson No. 91 showed me the advertised merchandise. I asked what the advertised size meant, and S.P. said that size 81x99 was the size before the goods were hemmed. The present size was about 4 inches shorter, due to hems on each end.

In my opinion the advertisement in this case is incorrect, as it does not bring out the fact that this is not the finished size, which is the size with which the public is concerned.

SERVICE	GOOD
VALUE	GOOD

ADJUSTMENT:

Mr. G. felt this was a difficult case to handle, as the sheets are all labeled the unfinished sizes by manufacturers. Label read as follows, or similar to following: "Size 81x99 before hemming." Suggested that stores advertise both sizes. If only one size is advertised, suggested it be the finished size, or if the unfinished size, that it should be properly qualified to show the facts. Mr. G. stated that it was an established practice in the trade, and sheets had been bought and sold in this manner for years, and that the public knew the sheets were not the size finished. I questioned this last statement and advised that we had questioned a number of people and found out that they did not know. Also called his attention to the buying power of newly married women who are not acquainted with trade practices. Mr. G. then agreed that there possibly was confusion. Would be glad to advertise finished sizes if the labels carried similar information. Will change advertising in the future to show correct information. Wrote National Vigilance Committee asking them to take matter up with manufacturers to change labels to agree with finished sizes. One manufacturer to whom we wrote advised we had a very good point. This letter forwarded to National Vigilance Committee.

There's no news in being good. Any man might go to church 52 Sundays a year and no one will mention it; but let his wife once appear with a black eye, and a neighborhood will hum with it. Which may explain why I cite but one blue slip of good business conduct and that because it explains

how the Commission sometimes extends its work beyond the confines of its own city:

DATE March 6, 1923—Times.

STORE X. R. Dept. Store.

ADVERTISEMENT

"Tapestry Rugs, Seconds, sizes, etc."

REPORT: H 78

I entered department at 1:30 P. M. S.P., Mr. Jones, greeted me pleasantly and in response to my inquiry showed me the advertised rugs. The defects were slight and in all cases had to be pointed out to me, as skipped threads, irregular pattern, etc. I noticed the backs of the rugs were stamped with manufacturers' name but had no stamp to designate they were imperfect or seconds to the public.

The prices quoted were about 20 per cent under the prices for first-quality rugs; and as the defects were slight, I consider them a very attractive value.

SERVICE	GOOD
VALUE	GOOD

ADJUSTMENT:

Took this up with buyer, Mr. R., who advised this manufacturer was an exception to the general rule of stamping imperfect rugs. Wrote National Vigilance Committee advising them of the facts and suggested they take the matter up with manufacturer on the basis that such a practice might create a means for an unscrupulous dealer to sell imperfect rugs as perfect and create unfair competition.

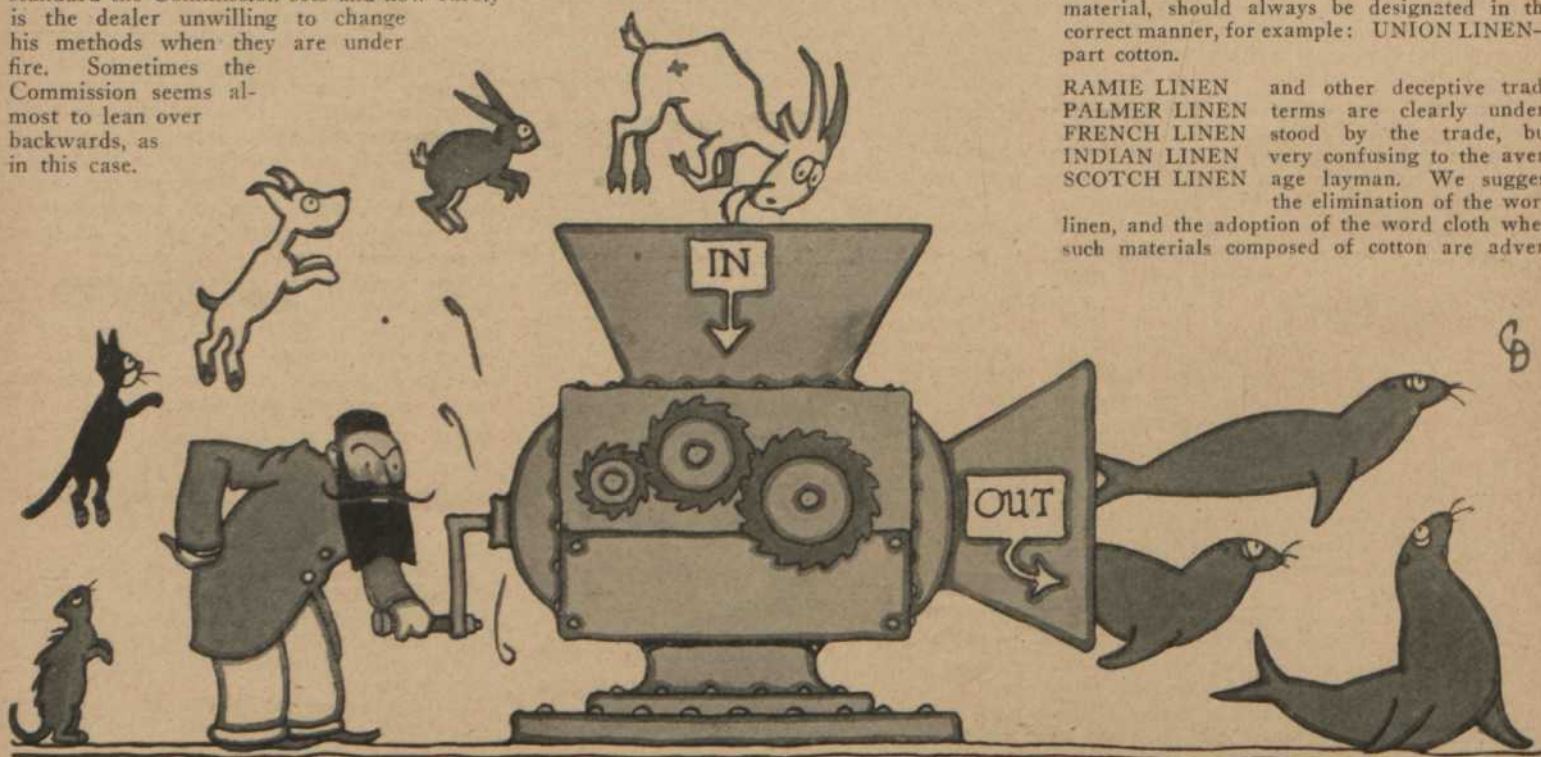
But these pink and blue slips are only part of the Commission's work with the retailer. It helps him with good suggestions as well as tears down his structure of advertising if it is built on a foundation of falsehood.

These helps take the form of bulletins, and many of them deal with women's wear, a field in which misrepresentation has grown almost unconsciously. If a silklike fabric is manufactured, the temptation is strong to give it a name that suggests silk and that may sometimes leave in the buyer's mind the belief that it is, at least, part silk.

Here's a specimen of the helpful side of the Commission's work, an extract from a bulletin dealing with the mislabeling of goods that posed as linen:

UNION LINEN. Union linen, a misleading trade name for a part linen and part cotton material, should always be designated in the correct manner, for example: **UNION LINEN—part cotton.**

RAMIE LINEN and other deceptive trade terms are clearly understood by the trade, but **FRENCH LINEN** very confusing to the average layman. We suggest the elimination of the word **INDIAN LINEN** and the adoption of the word **SCOTCH LINEN** when such materials composed of cotton are adver-



tised. For example: PALMER CLOTH, RAMIE CLOTH.

LINENE AND LINON. These terms, phrased to imply that the material is of linen context, should be avoided; if not eliminated altogether, should be correctly advertised as cotton material. For example: Cotton Linene, Cotton Linon.

LINENIZED These terms should be avoided entirely, as the material which they usually describe is, of course, not linen. The public, however, does not understand that such is the case.

Other bulletins deal with such advertising phrases as "samples," "seconds," "free." Retailers are told what is the right way to describe their materials. Sometimes the Commission seems almost finical in its suggestions, as in this:

WOOL MIXED. This phrase in the trade is

understood to mean a mixture of wool and cotton. We doubt, however, if the public understands it as such. We feel when materials of such nature are advertised they should be correctly described as wool and cotton.

SILK MIXED. Another phrase not clear to the consumer. "SILK AND COTTON" would, in our opinion, eliminate any possible deceptions.

The service the Commission renders is not only to retailers and to the buying public. It believes that a man's property rights in a trade name it has built up should be guarded. It is not always the retailer's fault that trade names are used on goods to which they do not belong. The Commission's bulletins list the rightful owners of trade names, and urge that these names be not used on other goods. As the Commission says:

"It is a serious matter to use a trademark name to sell merchandise similar to

a well-known or widely advertised trademark product . . . nor is it permissible to employ the words 'style' or 'model' for one of these trade names if describing merchandise similar to the trade-marked brand."

What I have written here applies chiefly to Boston and to retailers in that city. It is true, I have no doubt, to a greater or less degree, in the thirty or forty other cities where business bureaus or commissions are at work in connection with the Vigilance Committee of the Associated Advertising Clubs of the World. I am certain that in Boston the buyer is better protected and business is better off than they were a year ago when our Commission started work.

And this is worth considering: The best way to head off unreasonable legislation regulating business is for business to put its house in order, to make it plain that regulation is not needed.

The Customer Owner

By EDWARD N. HURLEY

progressive business where leadership is required.

DURING the war public utilities were unable to receive from bankers sufficient funds to develop their properties, and they were compelled to sell their securities in their respective localities. This developed what is now known as "customer ownership"—a movement that has grown so rapidly that today it is an important factor in the financing of public utilities.

Within a few years this movement has brought about the diffusion of public ownership of public utilities among 1,750,000 persons as compared with the few thousands of security holders of a short time ago. In 1922 alone more than \$175,000,000 of securities were sold to customers of public utilities. This year it is reliably predicted that sales to customers will exceed \$250,000,000. Here is a movement that offers many advantages and retains all of the benefits of private initiative and enterprise.

The first standard by which it must be judged is, of course, its influence upon the public service. That influence is not difficult of detection in localities where the customer-ownership idea has been applied. The management of the utility is keenly aware of its responsibility. The patron who owns securities in the public utility is a participating employee, and the management is conscious of the surveillance of his customer employers.

In California, where the customer-ownership movement began, this movement undoubtedly played a part in the defeat at the polls of a proposed constitutional amendment looking toward the appropriation of \$500,000,000 for the purchase of the water powers of the state. There are 125,000 customer owners of public utilities in California. This wide diffusion of ownership created a public knowledge of utility problems and an understanding of the fallacies of public ownership. The Southern California Edison Company alone has approximately 50,000 stockholders of whom 6,000 are employees of that company.

Owners and operators of public utilities, whether steam or electric, as well as manufacturers, should encourage their employees to become security holders, and make the purchase of the securities so easy with proper safeguards against losses, that a substantial percentage of all their employees could afford to become security holders.

Better service is given to the public when employees are financially interested, and a

cooperative spirit is developed, as the worker realizes that his own efficiency will have a great deal to do in determining a dividend on his stock holdings. There is also little likelihood of workers in this position soldiering on the job or requesting exorbitant wage increases. Thus, both employee and management are subjected to an energizing influence tending to promote efficiency and create high standards of service.

Private ownership was a failure until the respective states passed legislation placing the regulation in the hands of public utility commissions. The progress made in improved service to the public, and the issuing of sound securities for expansion based on the public's needs, have placed our public utilities, 97 per cent of which are operated privately and owned by the investing public, in a strong financial position which is evidence of what sound government regulation can do.

Our privately owned but government regulated public utilities as compared with the government-owned utilities of Europe are a striking example of the results of government regulation versus government ownership as practiced in Europe. Under government ownership public utilities in Europe have decreased in efficiency to such a degree that they not only give the worst service in the world, but at a cost to the taxpayer of an unusually heavy burden. This applies to Glasgow, which at one time was heralded as the outstanding example of what government ownership could do.

The Human Side of It

THE average person loses sight of the human obstacles that prevent efficiency under public management. The average run of men are spurred on by financial reward. If initiative and exceptional work are not rewarded, a man soon loses his initiative and does not do exceptional work. If he advances solely by seniority, he will never get beyond a certain point. The high managerial positions in publicly managed industries are filled from above, not from below. But government must proceed in such fashion because it must work by rule. And once you subject a man to rigid rules his initiative begins to evaporate. In business the managers of today were the clerks of yesterday. There is no rule of seniority in

Also, a well-organized business puts responsibility upon individuals. With our form of government, national, state or city, we must have legislative rather than individual responsibility. And without individual responsibility we cannot have business methods.

Customer ownership is the foil to the unscrupulous political agitator. No one will challenge the statement that the radical public official subsists only upon such support and encouragement as he can obtain from his constituency.

If his denunciation falls on deaf ears it is not many times repeated. Picture to yourself the response which such an agitator would gain from a community where satisfactory service was being rendered by a utility company whose ownership was distributed among its officers, employees and the citizens of that community. Not only would they withhold encouragement; they would quickly exert a restraining influence. A state made up of communities in which a similar situation existed would be assured of a constructive policy looking toward the development of its utilities.

The customer ownership movement also commands admiration for another important reason. It opens a broad market for utility securities which will go far toward enabling the utilities to finance the growth that is necessary. The electric light and power industry of America must produce in the next seven years a volume of electrical energy equal to that produced in its entire history.

The financing of this growth is a problem in itself. The task would be impossible if the industry were subject to constant attack such as would deprive the investor of a feeling of security in his holdings and would make it impossible for him to obtain a fair return upon his investment. With the growing willingness of public utility patrons to participate in the ownership of their utilities, this task will be enormously facilitated.

The "public as partners" or customer ownership is not a cure-all, nor a complete solution of all the public utility problems. An industry engaged in rendering so essentially a public service will continue to be judged by exacting standards. Management must be alert and seize on new methods. It must be quickly responsive to sound public opinion.

The NATION'S BUSINESS

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MERLE THORPE, Editor

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"Interstate" Gets Further Definition

A CURRENT OF COMMERCE among the states in each great commodity is being made a very real thing by the Supreme Court. In May of last year the court upheld the Packers and Stockyards Act, having before it the possibility of regulating the commission men who buy and sell cattle at the larger stock-yards.

"Streams of commerce from one part of the country to another which are ever flowing are in their very essence the commerce among the states and with foreign nations which historically it was one of the chief purposes of the Constitution to bring under national control and protection," the court then said, and it decided that Congress might, under its power with respect to interstate commerce, enact legislation in regulation of the commission men whose charges and activities may affect the flow of livestock in channels of interstate commerce.

In arriving at the conclusion that the transactions of the commission men were not local and so beyond the reach of Congress, the court referred back to a decision it rendered in 1905, in an opinion written by a judge who is still a member of the court. In that case it had been contended that the activities of a meat-packing company are conducted within a state and consequently were not subject to congressional legislation, but the court held that a combination among them had a necessary effect upon interstate commerce.

On April 16, the Supreme Court, in passing upon the Grain Futures Act, reiterated the views it had earlier expressed, and applied them to the great grain markets of the country. Speaking for the court, the Chief Justice said the decision of 1905 "was a milestone in the interpretation of the commerce clause of the Constitution. It recognized the great changes and development in the business of this vast country and drew again the dividing line between interstate and intrastate commerce where the Constitution intended it to be. It refused to permit local incidents of great interstate movement, which taken alone were intrastate, to characterize the movement as such."

Under this new decision, trading upon the floor of the Chicago Board of Trade becomes subject to federal legislation. Between transactions in wheat and the transactions of commission men in cattle the court sees no difference.

"The sales on the Chicago Board of Trade are just as indispensable to the continuity of the flow of wheat from the West to the mills and distributing points of the East and Europe as are the Chicago sales of cattle to the flow of stock toward the feeding places and slaughter and packing houses of the East," the court reasoned.

The regulation of the law is directed especially at contracts for future delivery. The court declared that there was evidence the making of such contracts did at times permit manipulation which works to the detriment of producers, consumers, shippers, and dealers in interstate commerce in grain. The effect on interstate commerce, it held, is not too remote for Congress to deal with it.

Last year the Supreme Court found an earlier statute passed by Congress was unconstitutional, as an attempt through levy of a tax to regulate transactions which in and of them-

selves were not interstate commerce and which Congress had not declared so directly interfered with interstate commerce as to obstruct or burden it. Congress last September framed a new statute in which it made this declaration, and the Supreme Court has now said that Congress could take this course, i.e., could regulate transactions which themselves are not a part of interstate commerce but which have an influence upon the flow of interstate commerce in one of the great commodities.

At the same time, the Supreme Court left undetermined some of the questions which were raised with respect to the Grain Futures Act. On the ground that no one complained who was yet affected, it refused to consider the constitutionality of the provision closing the mails, telegraphs, and telephones to offers and acceptances for future delivery except through a member of a board of trade, the provision imposing penalties for persons who distribute knowingly or carelessly false or misleading market or crop reports, and the provision allowing the Secretary of Agriculture to exclude from a board of trade a person who, in his opinion, has attempted manipulation of the market and who has not had a jury trial.

Graveyards of Government Ownership

THE BARNACLE FLEET is the title bestowed by some Australians upon the merchant steamers which their government acquired. It is contended that of the entire 46, aggregating 358,000 tons deadweight, only 8 can be reasonably classed as assets for a going concern. Even so, the number in operation throughout the past year has been but 4. For the most part the remainder have been laid up in snug harbor, as "marine monuments."

The similarity between conditions in the Antipodes and our own predicament is striking, when government ownership and operation of steamships are in question.

France Tackles Sugar, Too

SUGAR has caused about as much commotion in France as in the United States. A bill has now been evolved on the theory that the sugar-beet factories are the culprits who have put up the price of sugar. Upon the net profits of sugar factories in excess of 40 per cent a year on capital the bill would levy a tax of 50 per cent instead of the present income tax of 8 per cent. Possibly because of the extent in which sugar factories not so long ago were special targets for German guns, 40 per cent seems to be considered a reasonable present return on the theory of compensation for sufferings in the past.

There may be a similar philosophy underlying another provision of the bill. Any earnings which are passed back to the farmers who raised the beets are to be exempt from tax. The theory underlying this provision appears to be that there should now be a making good of the farmers' lean years, too.

What Does the Pottery Case Mean?

A JURY CASE is hard to understand at a distance. The legal points which come out are in the notes of the stenographer and the memory of the attorneys, and the parts of the evidence which determine the minds of the jurymen might not be agreed upon even by them.

So it happens that the verdict of guilty returned on April 17 in the federal court at New York against manufacturers of sanitary pottery may or may not mean a great deal in the way of enlightenment respecting the antitrust laws. It will take some time to ascertain.

The indictment contained two counts. The first alleged a conspiracy among manufacturers to fix prices. The second

charged that by agreement the manufacturers refused to sell to anyone except a "legitimate jobber." About the legality or illegality of these things there might be no great question. The interesting question today is what amounts to an agreement to do either of these things.

Perhaps only the jury knows, and it will not tell. For any advance in knowledge to be had from the case we may have to wait until it reaches the higher court, on appeal.

British Taxes Over the Top

THE PEAK LOAD of taxation is a thing of the past in England, according to announcements made on April 16. The income tax was then reduced by 10 per cent, the special tax on corporate profits was cut in two, the equivalent of two cents a pint was taken off beer, a decrease in the postage rates was made, and other smaller taxes were decreased. The total effect is estimated to mean around \$125,000,000 a year.

In the year which closed with March, the British Government had a handsome excess of receipts over expenditures, and this in the face of depressed business conditions. In other words, budget procedure worked as it should, and brought outgo well within income, with a substantial margin to apply toward reduction of indebtedness. The budget which has been set up for the new year likewise contemplates a balance on the pleasant side when the twelve months are complete. It is to be hoped that the budget procedure of our Government will, at the end of our fiscal year, have as agreeable results.

Weeding 'Em Out

PUBLIC EMPLOYEES in France have been numerous. In 1922 no less than 52,000 were dismissed, and 50,000 more are to be discharged in 1923.

One Railroad Gets Relief

A RAILROAD TAX of a discriminatory sort came before the Supreme Court and was held invalid, on April 9.

In Arkansas the owners of 12,000 acres of land formed a drainage district, under state law. A railroad had 3½ miles of single track within the area. The track and the lands to be drained were so valued that it was proposed to make the railroad pay 57 per cent of the tax to start the drainage project, whereas the lands would pay but 43 per cent. Such a condition of affairs the Supreme Court held was grossly discriminatory, and consequently in violation of the railroad's rights under the fourteenth amendment to the Federal Constitution.

Lower Taxes, More Money Comes In

PUBLIC REVENUES may suffer from unduly high tax rates, it has often been pointed out, and the Treasury Department now has some figures which support this reasoning. In March, 1923, it actually collected \$66,000,000 more from income tax alone than it collected in the corresponding month of 1922 on account not only of income taxes—at higher rates than are now in force—but also of the excess-profits tax as well.

Can't Recover on Hoped-for Profits

PROSPECTIVE PROFITS from war contracts which were cancelled by the Government after the armistice came before the Supreme Court in a case decided on April 9. The cancellation, the court held, was an exercise of power conferred by Congress in 1917. This power was to modify, suspend,

cancel or requisition contracts for ships or material, and it extended, the court said, to the Government's own contracts as well as to private contracts. In other words, the Government was authorized to apply the power of eminent domain to contracts, including contracts it had made.

In cancelling a contract for gun mounts for the Navy, therefore, the Government did not make itself liable for a breach of contract but only for just compensation due by virtue of the exercise of the power of eminent domain. That meant that the value of the contract at the time of cancellation, not what it would have produced in profits if fully performed, was to be considered.

In fact, since the statute authorizing cancellation was in existence when the contract was made, the court reasoned, the possible loss of profits through exercise of the right to cancel was to be understood as within the contemplation of the parties. To anticipated profits upon the uncompleted part of the contract affected by the cancellation, the court held, the contractor was not entitled.

Our Rail Rates and England's

RAILROAD RATES in England have had much the same recent history as in the United States, except that the government during its period of control placed rates at their peak, whereas in the United States the Government left that unpleasant necessity to the period immediately following the end of its control.

The peak in England was roughly 100 per cent over the prewar level. Last August a quarter of this increase was taken off. In April the British railroads undertook to make further decreases on May 1, which will leave the rates at the following percentages over the prewar figures:

	Per cent
Agricultural products.....	50
Package freight.....	70
General merchandise.....	60
Minerals and iron goods.....	60

The British railways figure their wage bill at about 136 per cent of the prewar level, and the prices of the supplies they purchase at 70 per cent more than they paid in the old days.

In England with its short distances, reductions do not figure into such large sums of money as in the United States. The earlier reductions are estimated to mean around £35,000,000 a year, and the new one at £9,000,000, or, say, \$162,000,000 and \$42,000,000 respectively.

Railroad rates may be considered with comparative ease in a limited area such as England. England, Scotland, and Wales have around 88,000 square miles. With our 2,973,000 square miles we have a transportation system which is a lot more diverse and more difficult to talk about in round figures that are approximately correct. It is consequently difficult to state in a percentage the amount by which freight rates have been advanced in the United States since 1914.

There are, however, the Interstate Commerce Commission's figures for the results of the rates, and they show that in 1913 the average receipts by the railroads for a ton of freight carried one mile were .729 of a cent, that this figure reached its maximum in 1921, when it stood at 1.275 cents, declining in 1922 to 1.160 cents. So far as these figures reflect the level of freight rates, they mean that our peak in rates was 73 per cent over the level of 1913, and that about 21 per cent of the wartime addition has now been taken off, leaving rates at present around 59 per cent of their amount in 1913.

It would therefore appear that relatively England and the United States are at about the same point with respect to prewar freight rates, although to reach the peak England went considerably higher than the United States.

The City That Got the Facts

"SO YOU can readily see that we are desirous of moving our factory to your town," concluded the treasurer of the Automobile Company, "because, although we are a going concern, we realize that your city with its fine labor market, its strategic location, its freedom from industrial disturbances, its phenomenal growth in recent years, its educational facilities, and its excellent housing equipment, offers to the aggressive manufacturer an opportunity to develop, which cannot be found in our present location because we have outgrown our town."

The secretary of the Chamber of Commerce of Coryopolis glanced quickly at the chairman of his Industrial Committee to see whether the latter noticed that the speaker had used almost the very words that the secretary had written in their "industrial booklet." It was gratifying, thought the secretary, that his language should have captivated so prominent an automobile manufacturer. His chairman, however, had not seemed to be aware of the coincidence.

"Of course, you understand," said the chairman to the treasurer of the Automobile Company, "that we have no industrial fund to give away in the shape of bonuses. It would not be difficult, however, to place \$500,000 worth of your stock in this town if you move your

By ERNEST N. SMITH

Illustrated by R. L. Lambdin

the following Monday was selected. The treasurer of the Automobile Company congratulated the secretary upon the speed with which things were arranged in "our live town"—the chairman and the secretary beamed at the "our"—thanked the industrial chairman for his courtesies and departed.

"I'll leave the details of the trip and the notification of my committee to you," said the chairman to the secretary, "and, of course, we'll go in my private car." Then he, too, left.

The secretary of the Chamber went ahead with his plans with all the alacrity which had given him the exclusive use of the title of the "livest wire in our town."

Plans for Clean-Up Week, the meeting of the Education Committee, and the Fire-Prevention Campaign were temporarily shoved to one side. Work on getting the new factory took all the secretary's time except a few minutes devoted to sunning himself in the praise that would be his, when the industry was theirs. Had he not gotten the first tip?

make use of his private railroad car, on the side of which was emblazoned "Coryopolis." His committee was hand-picked by himself, and he was proud of it.

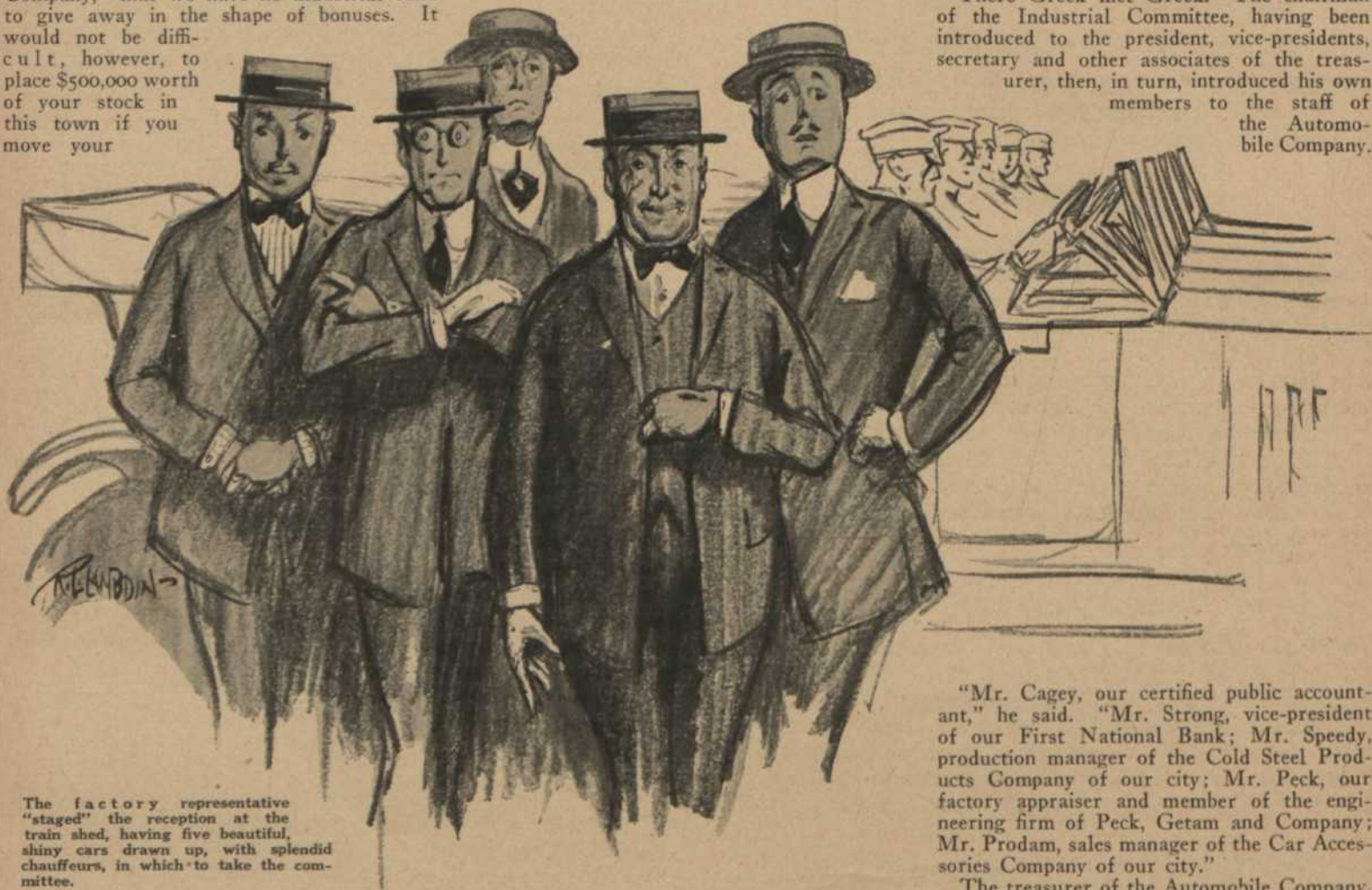
The treasurer of the Automobile Company upon his part had not been idle, and for the Industrial Committee's visit he had arranged a most appropriate reception at the railroad station on Monday morning. For the expected six or seven members of the Industrial Committee, new automobiles with liveried chauffeurs waited, and it was so planned that an officer or executive of the Automobile Company was to take each member of the Industrial Investigating Committee and escort him to the Board Room of the automobile plant.

The treasurer and his officers moved hastily toward the Pullmans as the train pulled in. When no committee appeared, the treasurer, somewhat concerned, asked if a delegation from Coryopolis was aboard.

"They's jes' gittin' off their private car, suh," said the porter.

The automobile delegation hastened to the rear car.

There Greek met Greek. The chairman of the Industrial Committee, having been introduced to the president, vice-presidents, secretary and other associates of the treasurer, then, in turn, introduced his own members to the staff of the Automobile Company.



The factory representative "staged" the reception at the train shed, having five beautiful, shiny cars drawn up, with splendid chauffeurs, in which to take the committee.

factory here providing you can bring Coryopolis such an institution as you have described. The Chamber of Commerce will help you in every way, but before making any recommendations, can our Industrial Committee inspect your plant?"

There was no dissension on this point, and

Had he not recognized the importance of the opportunity?

Sunday night saw the Industrial Committee on its way to the automobile plant. The chairman of this committee was as good a salesman as he was a railroad president. It had been his custom when his committee had been engaged in investigating factories to

"Mr. Cagey, our certified public accountant," he said. "Mr. Strong, vice-president of our First National Bank; Mr. Speedy, production manager of the Cold Steel Products Company of our city; Mr. Peck, our factory appraiser and member of the engineering firm of Peck, Getam and Company; Mr. Prodam, sales manager of the Car Accessories Company of our city."

The treasurer of the Automobile Company, with a growing sense of uneasiness, led the way toward the waiting automobiles.

The approach to the factory was made from the most advantageous point. The Industrial Committee was led through the offices, which were businesslike and populated with active clerks. There was a satisfying impression of alertness pervading the place.

been notified that something good was "going to break."

In concluding his report to the board of directors of the Chamber of Commerce the chairman of the Industrial Committee remarked, "This report will cost us when completed approximately \$800; but I am of the opinion, gentlemen, that every cent of it was well spent. I might say that the week after our return from investigating this automobile proposition, and as we were assembling the final figures to include in our report, I received a telegram from the automobile company reading as follows:

"Our prospects for new business are so unusual that we have come to the conclusion

that it would be better to wait six months before concluding negotiations with you. We ask, therefore, that you do not submit your report to your directors at this time but wait for six months, in which time we feel we can make an even better financial showing than we hope we made on the occasion of your recent investigation. Please, therefore, suspend matters until that time, when we will again take up the question of removal with you."

"Necessarily, gentlemen," continued the chairman, "it is impossible for us to comply with the request contained in the telegram, inasmuch as this board has authorized our committee to investigate at the expense of

the Chamber of Commerce and present its conclusions. I would like to say, therefore, that the committee submits a unanimous report. We recommend to the board of directors, or indeed to any members of our local Chamber of Commerce desiring a good automobile around \$1,500, that he buy a Cardinal car. We are agreed upon the point that the car is the best one in the United States for the money, and we say this because our investigation indicates that the company is losing \$135 on every car it manufactures."

The report was accepted with thanks and ordered filed.

Four months later the Cardinal Automobile Company went into receivership.

The Minimum Wage Decision

A MINIMUM WAGE for women, as fixed under a statute enacted by Congress as the local legislature for the District of Columbia, is invalid, the Supreme Court said on April 9. Five members of the court took this point of view. Three members argued for an opposite conclusion and one member took no part in the decision presumably because of appearance in cases, before becoming a member of the court, regarding legislation limiting hours of work. In 1917 the same member of the court had taken no part in considering the constitutionality of the law of the State of Oregon for a minimum wage in private employments. At that time, the other members of the Supreme Court divided equally—four and four—regarding the validity of the Oregon law. The result was, of course, that the decision of the lower court upholding the Oregon statute was affirmed.

Between 1917 and 1923 the opinion of one member of the court apparently has changed, and is now against the validity of such legislation. Otherwise, the Supreme Court would still stand four to four; because two of the new members have reached a negative conclusion and two an affirmative.

The new decision deals with the law for the District of Columbia which was passed in 1918. It created a board of three members, empowered after conferences, hearings, and investigations to fix minimum wages for women in any occupation at a point adequate to supply the necessary cost of living to women workers engaged in the occupation, to maintain them in good health, and to protect their morals. The law declared its purpose was to protect women of the District of Columbia from conditions detrimental to their health and morals and arising from wages inadequate to maintain decent standards of living.

This statute violates the fifth amendment to the Federal Constitution, a majority of the court said, because it interferes with the freedom of employers and employees to contract. There is no such thing as absolute freedom of contract, the court reasoned. There is a great variety of restraints. But freedom of contract—in this case, the equal right of employer and employee to obtain from each other the best terms they can as the result of private bargaining—is the rule and restraint is the exception. The exercise of legislative authority to impose a restraint can be justified only by the existence of exceptional circumstances. The real question in the court's mind, therefore, was whether or not there were exceptional circumstances.

There was no precedent in legislation regarding terms of employment to be used by

contractors in public work, the court reasoned; for the law which the court had before it dealt with private employments of the ordinary kind. Neither was there a precedent in the Adamson law of 1916, which fixed a scale of minimum wages for railroad men; for that statute related to a business affected with a public interest—interstate railroad transportation—and besides by its terms it was to be enforced only for a limited period, after which employers and employees would again be free to make their wage agreements; the law of the District of Columbia extended to businesses which are not subject to regulation as public utilities and it was to be continuing, not temporary, in its effect.

Several times the court returns to its proposition that exceptional circumstances may justify Congress in enacting legislation of a temporary kind which it could not place on the statute books for permanent effect. It may be, therefore, that there are two degrees of exceptional circumstances—those which will warrant temporary legislation to tide the public over an emergency and those which are still more exceptional and consequently sufficient to support permanent legislation.

Neither was there a precedent in legislation limiting hours of work for women in industry generally, the majority members of the court said; because under such statutes the employer and the employee remained free to agree upon the heart of their contract—the wage. Their point of view was that "a law forbidding work to continue beyond a given number of hours leaves the parties free to contract about wages and thereby equalize whatever additional burdens may be imposed upon the employer as a result of the restrictions as to hours." Even the legislative authority to fix hours of labor, the majority members insisted, cannot be exercised except in respect to those occupations where work of long-continued duration is detrimental to health.

Exceptional circumstances, the majority of the court concluded, were lacking. In their opinion, the law under scrutiny did not relate to methods or periods of wage payments, with which legislation may deal, and was not for the protection of persons under legal disability or for the prevention of fraud; it was "simply and exclusively a price-fixing law confined to adult women who are legally as capable of contracting for themselves as men."

There was not only a lack of exceptional circumstances to justify the law, the court thought, but there were other considerations weighing against it. "The feature of this statute," the majority members said, "which,

perhaps more than any other, puts upon it the stamp of invalidity, is that it exacts from the employer an arbitrary payment for a purpose and upon a basis having no casual connection with his business, or the contract or the work the employee engages to do. The declared basis is not the value of the service rendered, but the extraneous circumstance that the employee needs to get a prescribed sum of money to insure her subsistence, health and morals.

"The ethical right of every worker, man or woman, to a living wage may be conceded. . . . With that principle, and with every legitimate effort to realize it in fact, no one can quarrel; but the fallacy of the proposed method of obtaining it is that it assumes every employer is bound at all events to furnish it. . . .

"A statute requiring an employer to pay in money, to pay at prescribed and regular intervals, to pay the value of the service rendered, even to pay with fair relation to the extent of the benefit obtained from the service, would be understandable. But a statute which prescribes payment without regard to any of these things . . . is so clearly the product of a naked, arbitrary exercise of power that it cannot be allowed to stand under the Constitution of the United States."

To arguments in favor of the legislation in the interest of social justice, the majority answered, "To sustain the individual freedom of action contemplated by the Constitution is not to strike down the common good but to exalt it; for surely the good of society as a whole cannot be better served than by the preservation against arbitrary restraint of the liberties of its constituent members."

The careful statement of the conclusions in the opinion of the majority would indicate that the members of the court had earnestly discussed the decision. This impression is heightened by the two dissenting opinions which were filed. The Chief Justice did not agree that there is a distinction between legislation limiting hours and legislation for minimum wages.

"If I am right in thinking," he said, "that the legislature can find as much support in experience for the view that a sweating wage has as great and as direct a tendency to bring about an injury to the health and morals of workers as for the view that long hours injure their health, then the earlier decision supporting the latter form of legislation should lead to a decision upholding legislation respecting wages."

The other dissenting opinion was of a similar nature and in particular discussed statutes, undoubtedly valid, which in many directions limit freedom of contract.

Central America Cleaning House

By CHESTER T. CROWELL

THE POLITICAL significance of the recent Central American conference in Washington has attracted world-wide attention. That the purpose of this conference was primarily to clear the way for a new era of economic development in the five republics most interested seems to have been quite generally overlooked.

Therefore it will not be amiss to state the aims of the conference and to view its results from a business point of view, more especially since the new era of economic development hoped for involves closer relations with the United States.

At the conclusion of the World War, Central America found itself in a most embarrassing position. Europe was no longer able to lend money. The Central American countries must borrow to keep pace with the requirements for additional railways, ports, highways, bridges, telegraph and telephone lines and other public utilities. They are in about the same economic position as the United States during the three decades following the Civil War.

Before the World War Central America found little difficulty in borrowing from Europe; at that time the United States paid no attention to foreign bonds. Now the United States is about the only nation able to handle such financing.

Before the World War it was the custom in Guatemala to carry bank balances in Hamburg; El Salvador carried bank balances in London. While the Central American countries sold a large part of their exports to the United States, they bought the greater part of their imports from Europe. The armistice ended action on European battlefields, but Central America has not been very successful in resuming her trade relations with Europe.

One of the most recent and striking examples of her experience along this line was the uncertainty about deliveries of goods resulting from the French seizure of German territory in the Ruhr Valley. But that is only one chapter in a long story, the incidents being very much alike. Necessity is forcing Central America to do business with the United States.

El Salvador has recently obtained a government loan of \$7,000,000 in New York for the construction of 110 miles of railway, sewers and paving for the capital, and other public works. Other Central American countries must do the same. In all probability the banking houses making these loans will prefer that American companies known to them as reliable have preference in the letting of contracts, just as English companies were generally preferred when the money for public works was borrowed in London.

Facing a new money market made it necessary for all Central America to arrange for putting the house in order. London has had centuries of experience with foreign loans and long-time credits for foreign trade, but the United States has not. Much advice

has been offered the American business man on the subject of what he must do to compete successfully in Latin America; but he remains, on the whole, rather fixed in his ideas as to what the other fellow must do in order to trade with him.

Such being the situation, Central America has proceeded, with the advice of the American State Department, to meet some of these requirements. In taking these steps Central America is not impelled by threatened disaster or actual poverty. Those countries suffered very slightly from the general depression due to a world war. On the close of hostilities there was an immediate reopening of world markets for their principal products. Prices have tended generally upward, especially for coffee, which is probably their most important staple crop.

During the war they suffered more from inability to obtain needed imports than from the interrupted flow of their exports. This will readily be understood in view of the fact that they sold to the United States but had been accustomed to buying in Europe. The World War stopped railway construction, made it difficult or impossible to get electrical supplies, machinery and other articles essential to basic economic progress, and at the same time did not stop the growing need for these articles.

Today Central America faces the fact that not only must a brilliant economic future be prepared for, but she must make up for approximately seven years of comparative inactivity in the extension of public works of the larger sort. This is a task well calculated to make war and revolution seem puny sports by comparison.

This brings us logically to the subject of the treaties signed February 7, 1923, after about six weeks of conference in the Pan-American Union Building in Washington. In order that the subject matter of those agreements may be understood, a brief survey of previous efforts along the same line must be given, for the treaty of 1923 is



founded upon the others; it is not an experiment lacking relation to previous events.

The five republics of Guatemala, El Salvador, Costa Rica, Nicaragua and Honduras responded favorably to the invitation of President Theodore Roosevelt and held a conference in Washington in 1907, at which they formally agreed not to have any more wars. They also agreed to establish a Central American high court at Cartago, Costa Rica, to settle all of their international problems.

After a few years this court faded out of existence, and its failure has somewhat obscured the fact that there has

not been a war between the five republics since the treaty. They kept their word even though the ambitious project of a little Hague of their own failed. Ending war was the first great advance, and upon it the 1923 conference proceeded to construct a plan for ending revolution as well.

While it may not at first glance be apparent how an international conference could adopt a workable preventive against revolution, the fact remains that in Central America it can—and so far as human wisdom can foresee, it has done so. The explanation rests upon the fact that very few of Central America's revolutions have been self-generating. Most of them have received aid from the government of a neighboring country; otherwise they were a mere flash in the pan.

So the 1923 treaties provide that each of the five governments will "not intervene directly or indirectly in the internal affairs of the others or permit forces to organize on the border." They also agree not to export arms or ammunition and not to recog-

nize a government growing out of revolution. Nothing more is necessary. In addition to reestablishing and strengthening the 1907 treaty agreements which ended war, they go a step farther and limit their military forces as follows:

Costa Rica.....	2,000
El Salvador.....	4,200
Guatemala.....	5,200
Honduras.....	2,500
Nicaragua.....	2,500
	<hr/> 16,400

Just how drastic this reduction is may be judged from the fact that at present the standing army of El Salvador is 16,000, while the organized reserves make it possible to place 40,000 men in the field on very short notice. Guatemala can equal, if not exceed, this, while others are not very far behind.

The Central American republics, like the greater nations of the earth, find military expenses consume the greater part of their national revenues. This treaty provision alone will make such an important change in the finances of every one of the countries that their borrowing powers will at once increase to meet their needs.

But this is only one item. The treaties provide for a permanent international commission to study national finances, adjust expenses to income, and make recommendations along these lines to the various governments. The language of the treaty shows plainly the purpose of all this, for it says, "... with the object of placing the credit of each country at home and abroad upon so sound a basis that the foreign capital necessary for the development of Central America's economic resources may be obtained on advantageous terms."

This permanent commission will be composed of two representatives of each country to be appointed by the respective presidents. Each pair of commissioners will begin with the study of their own nation's finances, sessions to be held monthly. The ten commissioners representing all of the countries will meet annually to exchange information. The treaty suggests that these commissioners may recommend the employment of foreign experts, and doubtless that is exactly what is intended, for the experience of countries which have employed American financial advisers recommends them highly.

Other provisions lay a broad foundation for wholesome co-operation between these neighbors. Each country agrees to provide scholarships in its best schools for six students from each of the other four countries. There is to be an international commission to study the problem of how best to link up the various national railway systems so that travel by rail between the principal cities of all Cen-

tral America will be possible. Free trade between the countries is provided.

Each agrees to maintain at least one experiment station to study agricultural and animal husbandry problems, and to report regularly to all of the others. Professional degrees granted in one country are to be good in all the others. An extensive program is outlined for unification of the laws to protect labor, and laws to protect the ballot box.

Probably most important of all is the establishment of the International Central American Tribunal, for the United States signs this treaty along with the Central American countries and agrees to furnish a panel of fifteen citizens from which judges may be selected. The failure of the Cartago court showed that participation by the United States is needed to make such an institution possible. Now that it has been promised, the success of the tribunal is assured, for the influence of the United States is dominant in Central America.

This can have no other meaning than guaranteed peace for those countries. The plan for the formation of this tribunal is

entirely different from that of the court which sat at Cartago. Each of the five Central American presidents will name six delegates to this court; four will be citizens of his country who are eligible for the Supreme Court, and the other two will be foreigners but not Central Americans. Each of the other Latin American countries will be asked to furnish a panel of six. From these a total of ten will be nominated, two by each of the five republics. All of the correspondence incident to the formation of this court will pass through the Department of Foreign Affairs of Honduras.

When a case is brought before this court, each of the two nations involved may name one of its own four delegates as arbitrator in the case in hand, and these two arbitrators are to select from among the foreigners the third. This system has many advantages over the previous plan, for it does not necessitate the judges giving all of their time to the court or moving out of their own countries; this plan also makes it possible for more than one matter to be adjudicated at one time.

But more important than any item in the treaties is the spirit which inspired this conference. It was undertaken, not to avert disaster or to end a war, but to pave the way for greater progress by cooperation.

Central America is one of the richest lands of the earth, with a total population of about five millions and room for probably ten times that many to live in affluence. It produces sugar, indigo, coffee, balsam, hard woods, citrus fruits, bananas, cattle, gold, silver and other minerals. That it has petroleum fields is known, but the surveys are thus far very limited. It could export vast quantities of corn, wheat, cattle and poultry, but lack of transportation facilities cuts off the inland from access to markets.



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A phase of distribution in the Central American fruit industry

With adequate transportation Central America would find a ready market in Cuba, which devotes so much attention to sugar that it does not feed itself.

In spite of the bad reputation Central America has managed to win for herself, three of the five republics have rather remarkable records for progress.

Costa Rica has remained aloof from nearly all Central American intrigue and enjoyed peace for about thirty-five years.

El Salvador has not suffered the overthrow of a government by revolution for more than a quarter of a century, nor has she ever experienced a depreciated currency. With a total population of only 1,400,000 her annual foreign trade is upwards of thirty million dollars and growing rapidly.

Guatemala had nearly a generation of peace under Estrada Cabrera, but his was far from a progressive administration.

However, it was the demand for progress and not the spirit of turbulence which overthrew his government, and the outlook for that country is now very bright.

Most of the revolutions and wars have centered about Honduras and Nicaragua. These resulted, for the most part, from efforts of El Salvador and Guatemala to control Honduras.

Once having bound themselves not to interfere in Honduras and Nicaragua, Guatemala and El Salvador may look forward to enjoying the company of a much different neighbor. Honduras is especially favored in the matter of natural resources, while Nicaragua has a fair chance for an interoceanic canal.

All of Central America is rich in water power; the country is mountainous, and along the streams are hundreds of power sites. Varying altitudes so temper the climate that instead of being the torrid land its

latitude suggests, Central America offers every variety of temperature. There are vast and fertile plateaus with a climate suitable for the growing of wheat.

At the conclusion of the recent conference in Washington, Secretary of State Charles Evans Hughes said to the assembled delegates: "You have development, progress and the utmost prosperity within your grasp."

If each of the five republics did no more than equal the present record of El Salvador with an annual foreign trade of \$30,000,000, the total for Central America would be \$150,000,000 a year. Such are the opportunities, however, that under the new treaties it is far more likely for Central America to be enjoying within seven to ten years a foreign trade of approximately a quarter of a billion dollars. And the present trend of events would indicate that most of it will be with the United States.

1923 Prophecies; Half Fulfilled?

PROPHECY is an agreeable occupation, but one to be indulged in with care.

The economists and the statisticians of the country played with prophecy at their joint annual meeting in Chicago last December when they devoted an opening session to "The Outlook for 1923."

Profs. Allyn A. Young of Harvard, H. Parker Willis of Columbia and Alvin H. Hansen discussed respectively "The Trend of Prices," "The Probable Trend of Rate of Interest and Investment," and "The Outlook for Wages and Employment."

When they were through, Prof. Wesley C. Mitchell of Columbia made this interesting suggestion:

"Perhaps no more fruitful session could be arranged for our convention in 1924 than one in which Prof. Young, Prof. Willis and Prof. Hansen should review the events of 1923 and discuss the reason why what they have forecast today did or did not happen."

With the year almost half gone and with prophets of evil and prophets of good still trying to tell us whereabouts we are on the rim of that mystifying business cycle, we submit extracts from these speeches as reported in *The American Economic Review*. Perhaps some reader sitting back in front of a Christmas-time fire seven months from now may read them over and compare them with his own experience. Here they are:

PROF. YOUNG—There seems to be a general agreement among those who have compared the happenings of the last year with the sequences of events in earlier business cycles, that the slow advance of wholesale prices which has continued, with some slight interruptions, during the past year, will persist during part but probably not all of the coming year. There is difference of opinion with respect to just when the upward movement will end. I attach much weight to Prof. Person's carefully considered opinion that prices are likely to continue to rise well into the second half of 1923, possibly through most of the year.

In earlier business cycles prices have usually increased more rapidly in the later than in the earlier stages of the period of expansion. This fact and the other considerations we have just reviewed afford an inadequate basis for a forecast. But, so far as they go, they suggest that the rise of prices in 1923 will be somewhat greater than it has been in 1922.

PROF. WILLIS—Judging from the present prospects, therefore, one should look forward, dur-

ing the early part of 1923, to a continuation of moderately good business as at present, but probably with a tendency to declining activity, and on the whole to declining profitability. Recognizing this situation, the stock market may perhaps be expected to continue on a level similar to that which it now occupies pending the time that definite improvement in business is noted. With expansion thus checked, price expansion may also be expected to undergo a check, and to continue relatively slowly if at all.

As for the values of securities, they, with nothing much better in sight from the general economic standpoint, can hardly be expected to go far above present levels. The effect of this slowing down of business should be to release capital, by taking the potential strain off from it in a measure, and to that extent may tend to sustain security prices by putting a certain amount of funds back into the invested form in proportion as the demand for such money in short-term commercial business is lessened.

On the whole, however, a slight upward tendency in interest rates sufficient to hold funds to the desired extent in active business may be anticipated. Summing up, we may naturally look, in these circumstances, for stable or somewhat lessened trade, stock and bond quotations of a fairly stable variety or with inclination to weakness, slightly higher interest rates, and a continued process of readjustment in prices and business relations, pending the time that industry is restored to a profitable money-making basis in which the labor element renders an equivalent for the wages paid to it.

PROF. HANSEN—What now of the immediate future? The past movements of prices, wages, and employment indicate the following probable trend for the coming year:

1. Wholesale prices may be expected to rise more rapidly than money wages. The price level may, therefore, temporarily overtake the high wage level and may possibly exceed it.

2. Since the cost of living will probably rise rather slowly for a time at least, real wages in general are not likely to decline until the fall of 1923. The wages of skilled labor will probably rise very slowly. On the other hand, the wages of common labor will probably rise faster than the cost of living, as they did in the previous cycle, especially in view of the present restricted immigration. Thus common labor will quite likely recover much of the ground lost in the past two years. In fact, in recent months, substantial gains have already been made.

3. Employment is rapidly approaching normal and will probably exceed that level before the year is passed.

4. The purchasing power of the wage-earning class will be well above the pre-war normal in the coming year. This necessarily follows from fuller employment and a high level of real wages.

And the *News-Bulletin* of the National Bureau of Economic Research thus described on May 1 the situation and the outlook:

ALL observers agree that business as a whole is now highly prosperous. The revival, which may be dated from the summer of 1921, made slow progress for about a year in the face of most discouraging conditions. By the autumn of 1922 it had acquired considerable momentum, and the pace has quickened notably in the last eight months.

Production has reached again the high records of 1920, and complaints of unemployment have been succeeded by complaints of labor shortage.

All this looks highly regular and suggests that we are soon to have a "boom" with all the standard trimmings and the standard ending. But there are, as always, exceptional features in the present business situation which will make the boom more or less different from previous periods of the sort:

1. The extraordinary strength of the banks would make it possible to carry speculation to great extremes before the dwindling of reserve ratios called a halt.

2. On the other hand, the recollections of the disasters of 1920-21 are first in the minds of business men and bankers, many of whom are preaching a wholesale caution. The fact that there has been no runaway speculation in stocks may be taken as a symptom that the business public is not dazzled to the same degree as usual, at this stage in the cycle.

3. The restrictions upon immigration make it probable that the prices of labor will rise relatively high. The results both on profit margins and on the volume of retail demand may have a powerful effect upon the course of the cycle.

4. Recent reports from Great Britain indicate that the boom, which has so far been a home-made affair, may presently receive a further impetus from abroad.

5. If 1923 proves to be even a tolerably good year for the farmers, the prosperity of business will be still further enhanced this autumn.

All in all the outlook is bright—indeed so bright that one's fears are mainly fears that the business public may presently lose that cautious spirit which is the best safeguard against the return of over-buying and inflation.

The Puzzling Market for Silver

WHEN PURCHASES of American silver under the Pittman Act by the Government come to an end early next fall, the price of silver will again become subject to the strange and little-understood plan of international forces which determine the demand for this metal.

The coinage policies of half a dozen nations; the methods and fortunes of the British Government in India; monsoons, floods and famines in the Orient; fashions in Oriental dowries and Occidental wedding presents; the great store of bullion which the Russian revolutionaries stripped from the Russian churches and hid away; above all, the huge quantities of silver which have been pouring into the Orient for three centuries—these are among the factors which will influence the fortunes of the American mining industry when the government purchases have ceased.

It is this complex of obscure forces which the Senate Commission, appointed by Vice-President Coolidge under the Nicholson Resolution at the end of the last Congress, will study during the recess. Such an investigation is all that the mining industry has asked of the Government, and it believes that anyone conversant with the facts will concede the need for an investigation. It is further believed that the investigation alone may bring about an international understanding which will make any other action unnecessary.

The American silver producers control a large part of the world's production of silver and yet have practically no control over the market price of their commodity. There are several reasons for this.

The silver producers cannot limit production in accordance with demand, because about three-quarters of our silver is a by-product of mines which produce primarily copper, lead and zinc. And for this reason a high price for silver tends to bring about an abundance and a relatively lower price for these other metals.

In this way, and also because of its great effect upon the prosperity of several western states, the price of silver has a vital effect upon the whole American business. Furthermore, its use in coinage, both in Europe and the Orient, will be a factor in the stability of currencies in several countries with which America trades. Silver is probably destined to play an important part in the recovery of world markets.

What's Back of the Market

THE SILVER production of the world for many years has varied from about 175,000,000 ounces to 200,000,000 ounces annually. Most of this has been produced in the United States, Canada and Mexico. The highest production of the United States has been about 110,000,000 ounces. The production in the United States this year will be about 75,000,000 ounces, and this is the amount which must find a profitable market if American producers of silver are to remain prosperous.

In the period before the World War about 50,000,000 ounces of silver annually were coined in some form, approximately a like amount was used in the arts, and the remainder of it went to China and India in the form of bullion. Some of this doubtless was coined, but most of it was simply stamped

By J. F. GALLBREATH

Secretary of the American Mining Congress

as of a certain fineness and passed as currency in that form.

The market for American silver, then, depends chiefly upon three factors—the amount used for subsidiary coinage by a large number of nations, the amount used in the arts and industries, and the amount absorbed in the form of bullion by India and China. It is evident that the status of silver in the world market differs from that of most other commodities in that its price is not determined by a free play of purely economic supply and demand, but is influenced by the monetary policies of various governments.

An Economic Maverick

THE AMOUNT used in subsidiary coinage is wholly determined by government policies, and the amount of bullion absorbed by China and India is largely influenced by the action of Great Britain, which controls practically all of India's trade, as far as financing is concerned, and a large part of that of China.

Moreover, the demand for silver in the arts and industries is peculiarly influenced by the price as determined by the two other factors. It is true of almost every other raw material that, when the price declines, the amount used in the industries tends to increase and so to restore the price; but in the case of silver this tendency seems to be reversed.

Since time immemorial silver has been used in jewelry, plate and decoration. It is at once a form and visible evidence of wealth. The high-caste Indian bedecks his bride in silver bracelets, anklets and necklaces.

In the occidental world silver has, to some extent, gone out of fashion as personal adornment, but it is extensively used in plate, and especially for gifts and trophies. It is valued for all these purposes very largely because it is expensive. If silver forks were only ten cents a dozen, no American bride would have them as a wedding present, but at a hundred dollars a dozen every woman wants a set. And women are alike the world over. When the price of silver declines, some more expensive material tends to take its place.

Now what the silver producers face is a sharp decline in the amount of silver used in subsidiary coinage, by reason of the fact that a number of countries have debased or abolished their silver coinage since the war, and also a decline in the amount absorbed by the Orient, because Great Britain is substituting the paper rupee for the silver one as legal tender there. Both of these factors are the result of government action and are beyond the control of the producer.

Ever since the currencies of the occidental world went on a gold basis in the early part of this century, the price of silver has been fixed in London. From 1900 until 1915 this price was fairly stable, averaging 57 cents an ounce, with a low point of 51 cents and a high point of 61 cents. A large part of this was purchased by the British Government and coined into silver rupees, which had a redeemable value of 94.37 cents an ounce. On this transaction the British Government

had been making an annual seigniorage profit of about \$250,000,000.

It was as a result of this large use by the British Government and the extensive control of Chinese and Indian trade by the British that the price of silver came to be fixed in London. Three great banks—the Hongkong and Shanghai, the Yokohama and Specie, and the Chartered Bank of India—do, it is estimated, 70 per cent of the exchange business of India and about 30 per cent of that with China; and they handle an enormous amount of silver in the process.

These banks have formed the custom of clearing through the medium of four brokerage houses in London. Ultimately they must meet their exchange in silver, and, unless they wish to speculate in silver, they must buy or sell silver when the exchange is bought or sold. As a result the practice has become established for all banks doing business in China and India to place their respective orders to buy or sell silver every day through these four brokerage houses. Representatives of the four houses meet every day at noon, and the price of silver is fixed at that meeting and telegraphed to all parts of the world.

The War, and the Pittman Act

THIS system worked well until the World War. Then unrest in India produced a new situation. The Indians began refusing the paper rupee and demanding payment in silver. In order to hold the allegiance of India, the British Government had to redeem its paper rupees in silver; and for that purpose it needed large quantities and at once.

Where was this silver to be had? A large quantity of it lay in Treasury vaults in this country in the form of about 600,000,000 silver dollars. Most of them had long since been retired from circulation, because the people preferred to use paper one-dollar notes. Only in some sections of the west is the "cartwheel" still in active circulation. England asked the United States for this store of silver, in order that the prosecution of the war might not be retarded by defection in India and complications in the Indian trade.

Accordingly the Pittman Act was passed, which provided that the Secretary of the Treasury should melt into bullion not more than 350,000,000 of these silver dollars and sell it to the British Government at a price of one dollar an ounce. The act also provided that the Government should buy from American producers an amount equal to that sold to the British Government and at the same price. The purchases under the Pittman Act, therefore, do not represent a government valorization of silver, but an indirect sale by American producers to the British Government.

The immediate effect of the Pittman Act was greatly to stimulate American silver mining. Old mines were reopened and long-abandoned mining camps regained for a time the thriving activity of the days of the great silver strikes. Silver rose steadily in price. In November, 1920, bar silver had reached the price of \$1.31 an ounce, and an American silver dollar was worth \$1.2929, so that the coin was worth more as bullion than as currency. This was not a serious situation, because there were so few silver dollars in

circulation, and most of them were old and worn thin.

It was our subsidiary silver coinage which gave the Treasury officials some anxiety in those days. But there is a smaller proportion of silver in our halves, dimes and quarters than in our silver dollars. Silver must reach a price of \$1.38 an ounce before the bullion value of these coins exceeds their currency value, and silver began to drop steadily and rapidly before that figure was reached.

For, when the war emergency was over, England again began substituting the paper rupee for silver in India, and she further set the fashion of debasing silver coinage. Ever since the days of Queen Elizabeth the subsidiary silver coinage of England has been one of the most important uses of silver, and the standard of fineness has been 925. In order to save on silver purchases, England debased this coinage to 500 fine, thereby profiting to the extent of about 50,000,000 ounces of silver, or \$49,000,000 in a single year.

And that example, set by the greatest creditor nation of Europe, was promptly followed all over the world. Sweden, Norway, Denmark, the Argentine, even Peru, which is a silver-producing country, have debased their currencies. Meantime all the nations of Europe actually engaged in the war—Germany, France, Italy, Poland, Russia, Czechoslovakia, Austria-Hungary and the rest of them—have entirely stopped the coinage of silver. They have had no choice, for under the Gresham Law that bad money drives out good, silver began to disappear into private hoards before the floods of depreciated paper money.

It is clear, then, that the American silver producer has been deprived of a large part of his market by the debasing and disappearance of silver coinage all over the world, and that this is due to causes which are beyond his control and are not affected by supply and demand in the economic sense to any great extent. It is also evident that the condition of American business and the state of world finance are both somewhat affected by this situation. What can be done about it?

No definite plan can be evolved until all the factors have been studied, but several suggestions have been made. It will be remembered that during the Mexican revolution which began in 1912, Carranza, Villa and other temporary presidents flooded Mexico with bad paper money. The result was

that Carranza found it necessary to issue hard money before he could do any business, and he used silver because he could not get enough gold for the purpose.

It has been suggested that a similar situation will probably arise in Germany, Russia and other European countries, and that silver will find an extensive use in reestablishing the currencies of these countries, if the

For one thing, since the war the supremacy of the London brokerage houses in the world silver market has been to some extent impaired. Instead of sending all of our silver to London, as in the past, we have begun shipping some of it direct to the Orient from San Francisco, and some American banks have established silver departments and have begun to buy silver in this country to cover their Oriental exchanges.

London business houses have, of course, regarded this as an invasion of their field and have been eager to regain their command of silver and of Oriental exchange.

Again, conditions in India have been none too stable of late, and Great Britain may at any time require a large amount of silver with which to redeem her paper rupees, as she did during the war.

For all of these reasons American silver producers believe that an investigation and discussion of the subject by the Senate Commission may lead to the establishment of world policies which will not only stabilize the silver market, but also contribute materially toward the recovery of world trade from the effects of the war.

The situation with regard to the world market for silver, and the investigation of it which is now under way, are especially interesting as part of a general tendency on the part of our Government and others to regard and study the major materials of industry from an international point of view. The same committee of the Senate that is investigating silver is also studying the question of the world's supply of gold. The Department of Commerce is studying the sources of nitrogen compounds, of crude rubber and of sisal. The Federal Trade Commission recently made for the Senate a study of the international control of petroleum.

These investigations are all evidence of a growing realization that the industry of the civilized world is a unit, and that it must act as a unit, more and more, for its own good. It is all dependent, to a great extent, upon the same sources for the same materials. The history of each of these raw materials is much the same. It is a history of bitter struggle for monopolistic control of source, market and price. And almost without exception this struggle has been a cause of waste.

Some observers predict that this growing tendency toward international cooperation in industry, may do more toward preserving peace than international courts and conferences.



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Here is where a lot of the world's silver goes. In India and other Eastern countries, savings are worn as personal adornment or made into plate, instead of going into banks. The picture shows a Hindu family of three generations displaying the family "stake".

United States and Great Britain take a sympathetic attitude toward its use. It is known that the Soviet Government in Russia has taken a large amount of silver from the Russian churches, and it is said that the Russians have saved this silver, presumably for the purpose of reestablishing a sound currency.

It is evident that the cooperation of Great Britain is necessary to the restoration of silver to its former place in the currencies of the world. The British Government has generally shown itself willing to cooperate with the United States in matters of finance, and there are several reasons why it should be to its interest to do so in this matter.



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Radio has opened a new door for ideas into millions of American homes. A receiving set is not a luxury of the rich. Antennae and the family clothes line on the roof run side by side.

The Untrodden Paths of Radio

By General J. G. HARBORD

President of the Radio Corporation of America

RADIO communication differs essentially from the older but still useful methods of wire communication in two basic respects. It is particularly suited for communication with mobile objects and across natural obstacles. And it is adapted, above any other method of communication, to the simultaneous signaling to great groups of persons or stations scattered over wide areas.

This latter characteristic gives radio systems remarkable flexibility, since the terminus of a radio circuit is practically anywhere within the approximately circular zone of the influence of the transmitting station—that is, within what is generally called the range of the transmitting station. These distinguishing features of radio communication which mark its difference from the wire line systems have determined its development and its present and future uses.

Already England, France, Norway, Germany, Japan and Italy communicate with stations in the United States. Poland and Sweden will soon have radio stations which will mark a triumph of American inventive skill in that the transoceanic installations in those two countries were designed and are being constructed by Americans. The magnitude of the radio traffic between Europe and the United States has continually increased during the last few years.

The further extension of transoceanic radio telegraphy will bring other countries into closer touch with the United States. Stations are now being built in the Argentine and Brazil to work with New York, and this South American network will be extended as the needs of the service require. Japan and Honolulu are already in touch with California, and a great project is under way which will result in the construction and operation of a number of Chinese stations. These Chinese stations will be of great significance to American commerce since they will provide a direct link between the far Orient and California.

The further extension of the West Coast

radio service to Australia, the Dutch East Indies, and Indo-China is under contemplation and will be developed as conditions indicate. When the magnitude of the communication system which extends from Funabashi to Warsaw is considered, it will be appreciated that American enterprise in the field of long-distance communication has already achieved a signal triumph.

With the installation of radio communication contacts throughout the world, have come numerous improvements of major importance in the apparatus, and in the methods of sending and receiving messages. Among these improvements may be mentioned the high speed automatic transmission and reception of transoceanic messages.

In place of the older hand transmission by means of a key, and the reception of the signals by ear, there have been developed methods whereby the message, punched into paper tape in a form equivalent to dots and dashes, is machine-transmitted at high speeds; and the power of the transmitting stations, even though it may run into hundreds of kilowatts, is faultlessly controlled by appropriate electrical means for the rapid production of the telegraphic signals.

Radio Privacy

SUCH high-speed messages cannot be received by ear since no operator can possibly follow the signals. The secrecy and privacy of radiograms is entirely established by them. Remarkable automatic mechanisms have been developed actuating vibrating ink pens which write the message down, as dots and dashes, on a moving paper tape, from which tape the operator can readily transcribe the message.

The combination of increased speed and increased accuracy which this improvement has brought about has resulted in its general introduction into the art here and

abroad. Another important innovation in the handling of radio traffic with minimum delay is the "radio central" system of operation, in which the actual transmission and reception are done in an appropriate location in the country where space and facilities of various sorts are readily available.

The New Pioneer

THE control of the transmitting station is centralized, however, in the main city office, so that the actual operation of the radio circuits takes place in the city with greatly increased speed of delivery of messages and effective concentration of the staff. This plan is also increasingly used abroad at present as the result of its successful demonstration in this country.

The automatic radio relay is a further development of the future. Where, for operating reasons, it is not convenient to send a radio message directly from one point to another far-distant point, it can be automatically relayed by a carefully planned relaying station at an intermediate location.

Transoceanic radio telephony has already shown great promise, and the experimental work may lead to a commercial service whereby radio telephone communication with Europe will become available to the telephone subscribers of the United States. The imagination finds wide scope in the commercial and political possibilities which such developments foreshadow.

Shorter distance international networks are also under development, notably in the case of the building up of an elaborate chain of Central American stations. Such systems will prove of tremendous value in opening up new regions where natural obstacles to communication cannot be readily overcome.

Ship-to-shore communication is still making marked strides, and this oldest branch of commercial radio service is being vigorously developed. Over short distances, and on short waves, hand operation and ear reception are still used; but long distance, longer

wave, high speed ship communication, with automatic transmission, is coming into increasing vogue.

It is no longer unusual for the larger ships to be in touch with both sides of the Atlantic on practically the entire trip across, and such ship stations handle very large quantities of traffic with great celerity when it accumulates as they near their port of destination. This rapid transmission of ship messages is accomplished by automatic high-speed transmission and reception.

The human value of ship radio service has been fully appreciated since the earliest days of the radio art. The safety of life at sea is closely dependent on radio service. Aside from the distress call in times of emergency, radio has evolved to the point where it affords a most useful guide to navigation through the agency of such devices as the radio compass, the radio beacon, and pilot cables under tortuous channels to guide ships in thick weather. Radio enables the passengers on board ship to keep in close touch with land; it keeps the captain of the ship in touch with his home office, and it brings the ship into immediate touch with other ships ready to come to its assistance in times of distress.

The type of transmitting apparatus on board ships is still in process of evolution. Up to recent years, spark transmitters were universally used, but these are of such type as to cause congestion in the ether and limit seriously its traffic-carrying capacity. It has therefore been a great step forward to replace the older spark sets by the modern continuous wave or vacuum tube transmitters which are at once capable of signaling over greater distances and with much reduced interference between simultaneous transmission.

Switchboards of the Ocean

A FURTHER extension of ship service is in sight as a result of numerous investigations and tests, which would provide the extension of wire-line telephone service to ships at sea. Successful experiments have already demonstrated that it is possible for any wire-line telephone subscriber to call ships at sea and to talk to individual passengers just as if they too were on land at a telephone station.

The commercial application of the methods which have been worked out is confidently predicted, and thereafter the isolation of ships at sea may fairly be said to have ended

for all time. A ship radio telephone service, now in immediate prospect, is expected to become a practical and valuable utility, and one which will hold deep significance for the general public.

To discuss the full importance of radio broadcasting in modern life is premature in spite of its great spread and the tremendous and sustained public interest in it. This service, for which radio is preeminently fitted, has grown to gigantic dimensions almost within a year, and its full entertainment possibilities are as yet only vaguely comprehended.

"The Printing Press of Space"

ONE might indeed be bewildered at the profusion of entertainment and the instruction which are so freely placed at one's disposal through the mere ownership of a radio receiver. The homes of our nation have truly been knit into one vast community house by the agency of this most powerful means yet discovered for the integration of humanity.

It is the fashion to venture into glowing prophecies relative to the future of radio broadcasting, but those responsible for its constructive growth prefer rather to view it seriously and soberly, and through continual evolution and effort to bring the individual broadcast station to perfection in performance and extend the field of its activities till nothing of vital human interest is missing from its program. The "printing press of space" will then fulfill its full and destined functions.

Up to the present, the radio broadcasting has, generally speaking, confined itself to reaching the home—or family unit. A further extension, which is now under investigation and is expected to attain real usefulness, is broadcasting to the individual. Assuming suitable wave lengths to be set aside for this purpose, and very compact and sensitive portable receivers to be available, it becomes at once possible to reach the individual regardless of his specific location or his motion, at least within certain zones.

Information of wide interest on timely topics and general calls or announcements of various sorts might thus reach the person addressed whether or not he was in office or home. It would seem a long step forward from linking continent to continent to the reaching of the mobile individual on the instant, and yet the area-covering capabilities of radio communication make it similarly available for such diverse uses.

There are other fields of radio communica-

tion in which the surface is hardly scratched. One of the most interesting of these is radio television. It has already been shown, in a rough way, that pictures or images can be transmitted by radio and it has been proposed to use such systems for newspaper purposes in the transmission of photographs, for the transmission of financial documents (naturally including the validating signatures), and for the secret transmission of private messages. Whatever usefulness lies latent in this field is promised to America as time goes on.

The broader significance of radio communication is based on its practical annihilation of space and of the isolation of nations and individuals. To just the extent that mutual knowledge and mutual comprehension give rise to confidence and cooperation, it may be confidently expected that radio communication will contribute toward peace between nations and satisfactory relationships between individuals. Man's senses are of very limited power. His voice carries but a little way, his ear does not hear feeble sounds, and his unaided eye sees only to the horizon.

Science has come to his aid, and the telescope carries his vision into the great depths of space while the microscope pierces the veil which separates him from the minute entities of the universe. Electric communication has gone further, for it has given him a sense of hearing which is cognizant of a whisper a thousand miles away, and a voice which can bridge oceans or continents. So basic an extension of his natural functions must carry in its train an evolutionary result of profound meaning to mankind.

Our One-Fifteenth-Second Globe

IN THE field of electrical communication radio is destined to play a great part. To travel around the world in eighty days was once regarded as a feat. The world has shrunk since that time, till it has been said that it is now only a "one-fifteenth-second globe." For the radio waves, encircling the earth in their flight, take but these few hundredths of a second to pass to the very antipodes. Ultimately, the air over the earth, once silent, will become the universal bearer of intelligence to millions through the radio waves which overleap space and annihilate time.

The "voices in the air" which sent Jeanne d'Arc to the rescue of her beloved France and to her martyrdom five centuries ago, are once more whispering through space for the betterment of mankind.

Train Your Men on the Job

By K. M. COOLBAUGH

FOR YEARS the city of New York talked and prayed for better paved and cleaner streets.

Editorials were written, expert opinion sought and freely offered, and mass meetings to effect action were called. Out of the cloud of criticism, disgust and discontent, came the announcement that a prominent engineer, who had made a record for highway maintenance and municipal sanitation in Cuba, had been commandeered by the city to solve the problem.

Again editorials were written, this time commending his appointment as Commissioner of Street Cleaning. A few evenings before he was inducted into office a banquet was tendered him by the city's officials and men of affairs. The subject assigned to him for his address was "How to Clean the Streets of New York."

I have not a copy of the speech of Colo-

nel Waring before me, and it has been over twenty years since he delivered it, but my recollection is still clear that the substance of his speech and of his program was summed up in one concise sentence:

"The way to clean the streets of New York is to clean them."

How effectively his program worked is proved by the references even today among highway and sanitary engineers to Waring's "White Wings."

"With desirable immigration cut to the bone and a large majority of our workers unskilled, how are we to train men to meet the ever-increasing demand?" We hear or read substantially that question almost daily.

The way for the American manufacturer to train men for his industry is to train

them. The technical magazines and newspapers are filled with varying ways and means for accomplishing this, and it is not the purpose of this article to discuss in detail any of the methods now successfully in use by manufacturers or those suggested by industrial relations experts.

It is, however, axiomatic to state that a shortage of skilled mechanics, equal to that prevailing during the war, is upon us today. The want ad columns of the newspapers, and the calls upon employment agencies for men and boys to learn trades are country wide.

"Well, what is the solution?" I asked a gray-haired employment official of one of the country's largest railroad systems. "Where does the responsibility of doing the job lie?"

Without a moment's hesitancy he answered: "There is only one way to get skilled

workers, and that is to train them, and the American employer must do the job himself; make no mistake about that. He can join in well-meaning movements sponsored at noonday lunch conferences and subsidize to his heart's content all the trade schools in his community, but he will never get suffi-

made it again and a party challenged me. So to prove to him and to myself that there was at least some degree of truth in my position, I checked up on a class of forty former students of a school in which for years I had been interested.

"I had spent several evenings a week there myself, teaching. These forty boys had graduated after taking the school's full course in trades such as bricklaying, carpentry, cabinet making, tinsmithing, electrical work and general machine-shop work.

"Four years after receiving their diplomas, how many do you think were earning their living at the trades they had spent two to four years in learning?

"Two out of the forty! Five per cent was the vocational school's contribution to the country's skilled labor. The remaining 95 per cent were working as bank clerks,

My employment friend's closing remark struck a responsive chord, a chord which still vibrates when I hear of employers farming out the proposition of training workers and developing latent man power. When this country entered the war, our most vital problem was that of constructing merchant ships and transports in sufficient number to offset the submarine toll. To meet the elaborate building program the training of tens of thousands of men in the numerous shipbuilding trades was necessary.

In one of these wartime constructed yards, one which today is but a memory, a shipbuilding training school was instituted. Elaborate ship construction equipment was installed, and tens of thousands of boys and men up to middle age were placed in course of training.

I have never seen figures purporting to give either the cost of the construction of the school or of its maintenance, nor are any figures capable of verification obtainable. I am safe, however, I believe, in saying that the cost of the experiment ran well



© Lewis Hine

"If you want to sell a man an opportunity to learn a trade, the place to sell it to him is where he is going to learn that trade"

cient recruits to man his machines and work benches until he trains his own apprentices.

"I have nothing against the trade school. In giving a boy a trade upon which he can fall back in later years in case of necessity it serves a very useful place in the community. However, this I am sure of: It does not serve American industries with workers. It floods the country with technically-trained engineers or boys aspiring to those heights, and it produces many excellent foremen and men equipped for higher positions, but it does not furnish industry with workers, and it never will.

"I admit the country needs leaders as never before, but first of all it needs skilled workers," he went on, "and it is up to the employer to set his own house in order and start the training process. No man or group of men can do it for him with satisfaction. That has been my conviction for years.

"I had made the statement often because I know from my own experience and observation it is a fact, but some time ago I

salesmen, chauffeurs, policemen, stenographers, and in a dozen other trades and callings. Some held semi-executive positions and two were in business for themselves and were making good.

"I haven't a doubt their trade-school experience helped most of them a great deal; they know what manual labor is, and many of them won't be afraid to fall back on their trades later if they must. The trade school and the manual training school are good stuff; I am for them both strong; but don't for a moment let the manufacturer kid himself into thinking they will ever contribute to his labor supply.

"It is one thing to train a boy or a young man until he becomes a competent machinist, but it is a much more difficult thing to deliver him at an employer's door as a permanent asset. Men, and boys in particular, are not built that way. Trying to train a human being to work for someone else is a good deal like marrying by proxy; usually it winds up in the divorce court."

over the million-dollar mark. The school was located about half a mile from the river front where the actual work of shipbuilding was done.

The courses of training given apprentices varied from a day's tryout in trades requiring little intelligence and no previous experience to a month or more devoted to the teaching of ship riveting, ship fitting, joinery work and other occupations of a highly specialized character. When, in the opinion of the instructors, a man had made good and was qualified to work at the trade for which he was employed, he was sent to the shipways along the river front to engage in the real work of shipbuilding. Frequently men were transferred at the rate of several hundred a day from the training school to the ways.

Now I have no figures with which to back up my statements; and if I did have them, I should hesitate to use them, because I know they would be so inaccurate as to be worthless. On a job such as this one, where

the monthly turnover frequently ran as high as 70 per cent a month, where it was necessary to employ 21,000 men during a calendar month in order to keep an average daily working force of 30,000 men on the job, statistics are hardly worth thoughtful consideration.

But this I am sure of, because I observed the condition day after day and month after month: Not more than 20 per cent of the men and boys who were employed for the training school ever finished their training. Not 50 per cent of those who graduated and were sent to the shipways ever did one hour's work in the building of ships.

One look at the working conditions surrounding ship construction and thousands of them left in droves. As a veteran of the Argonne expressed his sentiments when he left the plant through the employment office gate: "If that's where all the big wages I've heard about are, give me war." Of the few who actually started on the productive work of shipbuilding I question whether more than half were on the company's payroll a week later.

One day, when a regiment or more of these near shipbuilders quit before driving a rivet or laying a pound of steel, I asked the old shipbuilder who had interviewed them before going into training:

"Do you think it is worth while after all? Wouldn't there have been more production, less labor turnover and a million or more saved if we had never had the school and had sent them straight out to the shipways to look things over for themselves and learn what the job was like, and possibly set aside a shipway or two for them and instruct them on the job?"

His reply at least had the virtue of brevity, and as I look back, a nearly 100 per cent measure of truth. "Train 'em on the job, son. The only place to teach man or kid to swim is in the water."

There are certain specific things which American industries should do, I believe, before the problem is on its way to solution.

They should eliminate or modify numerous employment specifications pertaining to age, weight, height, scholastic training, etc. They must take men as they find them precisely as the householder in today's coal shortage welcomes any size of coal he can get. They must make the best of conditions as they exist, even though it may necessitate in some cases fitting the machine to the man.

The Rigid Rules

A LARGE employer I know stipulates that no apprentices over seventeen years of age shall be employed; and his employment department, in spite of idle machines, enforces the restriction.

Every day young men eighteen to twenty-two years of age apply at his plant for work, but they get no further than the privilege of filing an application. Just why one more year or five more years of earthly experience and knowledge should disqualify a youth from learning a trade will always be a mystery.

Another employer says: "One hundred and seventy pounds is our minimum weight for that job," a semi-skilled one requiring strength and agility. And able-bodied men who have done similar work elsewhere are denied employment solely because they do not measure up to the mystic minimum.

Rigid employment specifications of this nature often call to mind an incident which took place back in 1917, when the Army was examining recruits for the Aviation Service in one of our middle-western encampments. A man about forty, of the hard-boiled variety, asked to take the examination. With a show of condescension the

officer in charge put him through the mill. An examination of his teeth showed two molars and a bi-cuspid missing; his eyes were good; blood pressure above or below normal, I don't know which.

Then, to test his equilibrium, or equi-poise, they hoisted him up by the heels, twirled him around at about 25,000 r. p. m., turned off the juice, released the straps, and asked him who wrote "Uncle Tom's Cabin." When the tickets from the various computing machines came through the hoppers, his average was 24.091.

The officer in charge shook his head: "I am sorry we can't do anything for you."

"Oh! that's all right," said the victim. "I just drifted over here to see how you ran this business. I'm the Test Flight pilot over at Wright Field."

An aviator is a human being who flies. A salesman is a man who sells something, regardless of the cut of his profile, the color of his hair or of his personality.

Few of us know what we ourselves are capable of doing until necessity forces us to action or we are given an opportunity to develop our latent powers. Why, then, should we arbitrarily set rigid employment specifications? Some specifications there must be, for obviously all men are not fit for the same job. But the industry which refuses to keep its specifications flexible not only bars its doors to ambitious men seeking opportunities but too often limits its own supply of available men. This applies with especial force to the employment of young men and boys who seek training.

Industries must also find some more effective medium for broadcasting the opportunities which they have to offer young men to learn trades.

Their efforts have usually been confined to advertising in the want ad columns of

the newspapers, cooperation with private and public employment agencies, and the establishing of contact with school authorities. Numerous efforts have been made to bring this about. Seldom, to my knowledge, has the problem been handled with a widespread personal appeal.

The secretary of a trade association comprising a large membership of industries remarked to me recently:

"I often wonder why many of our members who are bemoaning the shortage of skilled workers and are endeavoring to break in apprentices do not handle the problem in much the same manner as their sales departments put across their programs. Why don't they do it on broad educational lines? Not on a retail basis, except where it is necessary."

"I know nothing about recruiting men for industry, but I do know that when a sales organization has something to sell, it goes the limit in showing its goods. It doesn't stop with newspaper and trade paper advertising or with sending out on the road the cream of its sales force. It shows its goods, its samples. The sales organization which can bring buyers to its plant or showrooms gets the business in the long run."

Selling a Trade to Young America

"NOW that is what American employers who are short of skilled help," he went on, "might well consider, it seems to me. They must sell what they have to the youth of America, and the best way to sell anything to a man is to show him what you have under the most favorable conditions. If you want to sell him an opportunity to learn a trade, the place where he is going to learn that trade is the logical and common-sense place to sell it to him."

"Tell me, why don't some of our larger industries or groups of industries in allied lines of production open their plants to the public more than they have done in the past; open them up for tours of inspection so that young men and parents who are interested in their sons' business future can see for themselves what the plants have to offer for a boy's life work?"

"Let them start off with a straight-from-the-shoulder campaign free of propaganda and tell a community what they are seeking to accomplish, that they wish to build up the plant working force and with it the community. Occasional mass meetings at night which the parents could attend and bring their boys to might not be a bad idea. Have the meetings addressed by plant executives and shop foremen outlining in simple language the future there is for a boy who learns a trade as a cabinet maker, an armature winder, a weaver, a molder or a core-maker and so on down the line."

"But don't stop there," he proceeded with enthusiasm, as his thoughts unraveled. "Invite them to the plants, take their names and see that they get there, or find out the reason why. That is what industries should do. Bring young men to the job where they can see for themselves the machines and materials from the raw to the finished product—to the job where they can observe working conditions and where they will see and meet the types of men they must ultimately rub shoulders with."

Determination to do a job which must be done, adoption of sane, flexible policies in order to meet changing conditions and willingness to blaze new trails have always been dominant characteristics of America's industrial executives. Waring spoke a language which they understand. The way to clean a city's streets is to clean them. The way to train apprentices is to train them.



Congress in the Dry Season

Goings-on in Conference Rooms and Elsewhere

IT HAS been suggested that the poor little rich girl, bossed by a committee of relatives and trustees, was better off than the District of Columbia, for she at least could run away. In these days of divorces and remarriages, it is not entirely unusual to have four parents; but the District of Columbia has over four hundred. The District would like to vote. Everybody is doing it. But a counter-spokesman in the Senate District Committee would discourage her aspirations through a recital of the horrors attendant upon municipal elections. There is New York, for an awful example, and he reads a piece from *The Times*. And Louisville. "Louisville had six murders on election day of the city administration November 2, 1921. The mayor was taken out of a hotel, manacled, and put in a patrol wagon and taken to the police station. Five Republicans were killed and one Democrat wounded."

"Do you advocate the Federal Government taking over the control of the Government of those cities?" inquired Senator Ball (Del.), chairman of the committee.

A spokesman before the same committee said: "You want us to come here and hang on your lapels and your coat tails and say, 'Do this and do that.'" And the District had her finger through the congressional buttonhole to beg an improvement in her police force, which Mr. Blanton (Tex.) thought it advisable to grant, on the ground that the "worst lawbreakers in the world center here in the nation's capital."

A Senator from Utah Is Grievously Distressed at the Cost of a Wife's Shoes

Senator Smoot (Utah) has discovered something which he considers not the best possible arrangement in the best possible of worlds. "The cost of distribution of goods in the United States, which the ultimate consumer has to pay, in many cases is outrageous, and the present system has got to be abolished at some time or other," he says.

Two years ago, just before Mrs. Smoot and I returned to Utah, Mrs. Smoot bought a pair of shoes for which she was charged \$17. One day as I came out of the elevator at the Hotel Utah to go to my room, I met an old friend of whom I used to purchase shoes when I was in the merchandising business. I said to him, "Hello, Jack, what are you doing here?" "Oh," he said, "I am still selling shoes." I said, "For the same firm?" He said, "For the same firm."

He further stated, "I have a line here now, in my room."

His room was immediately to the left of the elevator; and he said, "Come in and look at my line of shoes." I went in and, Mr. President, I saw there a pair of shoes which I was positive were exactly the same make of shoes which Mrs. Smoot had purchased for \$17. To be absolutely sure, however, I took the stock number of the shoe and later found it was the identical kind of shoe.

I said to my friend, "Jack, at what price are you selling these shoes?" He replied, "I am selling them for \$5.75." I asked, "Is that the price at which these shoes are sold in all parts of the United States?" He replied, "Yes, that is the wholesale price for which they are

sold everywhere." Some time or other such exorbitant profits are not going to continue to be charged in the United States.

Concerning the Location of the World's Worst Robbers

Mr. Lowrey (Miss.) took the floor. "Mr. Chairman, the gentleman from Texas (Mr. Blanton) made a statement a while ago that I think he ought to explain. I think it ought to go straight in the *Record*. He said, 'the worst robbers in the world gather here in the capital.' I would like him to explain whether he meant the Capital City or the Capitol Building."

MR. BLANTON: I do not include the gentleman from Mississippi, so he need not be uneasy.

MR. LOWREY: I feel inclined to tell here a thing that happened. I hate to go into a gentleman's family affairs; but it got into the newspapers. It happened in the home of my friend the gentleman from Texas (Mr. Jones). I do not believe he is here. Recently during the night his wife, Mrs. Jones, whispered to him in excitement that there were thieves in the house. He remonstrated with her and insisted that she ought not to make that kind of a charge against the House; that he was sure that proportionately there were more thieves in the Senate than there were in the House.

MR. GERNERD (Pa.): What Mr. Jones does the gentleman refer to as being married?

MR. LOWREY: My friend from Texas, Mr. Marvin Jones.

MR. GERNERD: I did not even know he was married.

MR. LOWREY: I have known him longer than the gentleman has; and he ought to have been married a long time ago. Though it may not be his fault.

MR. BLANTON: The gentleman from Mississippi was speaking about his first marriage.

MR. KNUTSON (Minn.): Which marriage is the gentleman speaking about now?

MR. LOWREY: Don't you spoil my story. Mr. Chairman, there are more good speeches ruined on this floor by fool questions than in any other way. If the gentleman will just let me alone I will make a good speech.

MR. HAMMER (N. C.): The gentleman always makes a good speech, anyway.

MR. LOWREY: I was going to say that my friend remonstrated with Mrs. Jones and said that there were proportionately more thieves in the Senate than there were in the House, and that she ought not to make that kind of a charge against the House. Then he insisted further that if they were in the House the most of them were on the Republican side, and the Republicans were not to be blamed for failure to turn them out, because they have to keep a quorum. Now here comes the gentleman from Texas (Mr. Blanton) and asserts on the floor that the worst robbers in the nation gather in the capital. I do not know whether he means in the Capital City or the Capitol Building.

Wherein Is Discourse of Bathing Beaches and the Bringing Home of Bacon

It is not of record that Mr. Blanton further clarified the matter; but he was ready with a facetious attack on Mr. Moore (Va.) when that gentleman objected to a bathing beach for colored people of the District being established at the Virginia end

of the Key Bridge across the Potomac, charging that Mr. Moore secured "more bacon for his constituents than does any other Member of Congress."

... He had this fine two and one-half million dollar Francis Scott Key Bridge built for his Virginia people, who daily come into Washington so that they would not have to go two or three hundred yards to another bridge, which was not quite so convenient to them. This new bridge was constructed so that they would have a handy bridge right at their front door, as it were. They are not satisfied. Now when the District of Columbia wants to use its own bridge in order to let its colored children who need bathing go to their bathing beach on the other side of the river, he does not want such clouds to obscure the fair skies of patrician Virginia. Now when Congress wants to give him and his Virginia people a present of a colored bathing beach he does not want to take it.

Can a Representative Be as Dust to a General's Feet

MR. LITTLE (Kans.): The gentleman said that if he is in receipt of this salary he will go to the head of the table. If we vote him this \$5,000 a year more, we may be sure that he will go into dinner first. That is all it amounts to. I think it is a little extravagant for that.

MR. J. M. NELSON (Wis.): I trust the House will not do this thing. It is clearly a matter of personal favoritism. ... I had occasion to go to General Crowder several times a few years ago. I was never more humiliated in my life as a Member of Congress. I was as the dust to his feet, and there was nothing to it but arrogance and arbitrary conduct. Then I chanced, when higher officials took an interest in a certain matter, to find that General Crowder was one of the slickest of politicians.

But, as Mr. Little had explained on another occasion, the business of going out to dinner is of no mean moment.

Some years we had rear admirals, commodores, and captains. In England they had rear admirals and captains but no commodores. Our commodores in England and Shanghai invited out to dinner were outranked by the rear admirals. The result was that our poor fellows had to suffer the infliction when they went out to dinner of going with the captains. That was considered a debasement of their honor and their character. They came here and appealed to us and we abolished the rank of commodore so they could all go in to dinner together. ... In that connection they selected nine commodores and promoted them to admirals. They never equalize by cutting down but always by promotion. We gave them a higher salary and a better place at dinner. Then up rose the old rear admirals and said "This is a devil of a situation; we must go in to dinner with these commodores," and so they split them, calling them the first nine and the second nine. ... The Army drew its bill which provided that a brigadier general should have the same rank as an admiral. The Navy, of course, rose up in arms and the first rear admiral said: "You cannot go in to dinner with

And so the Navy put through a law which provided that a rear admiral of the second nine should have the same place at dinner as a brigadier general. . . . I just want to direct the attention of the chairman to the awful position in which this new commodore you are going to create is placed."

MR. WINSLOW (Mass.): No; commandant.

MR. LITTLE: The gentleman said he would be a commodore when he is retired.

MR. WINSLOW: When he is retired.

MR. LITTLE: Who is going in to dinner with him?

So much for relations between officers. But Mr. Fields (Ky.) would appear to feel no contrition about having "offered an amendment to the Army Appropriation bill" withholding salary from any officer who should "promote social distinctions between the officers and men while on military duty. Oh, they said, it would affect the discipline, it would disorganize the Army, but the limitation was adopted, and Mr. Chairman, they have been getting on nicely ever since. They have been attending the same church ever since without demoralizing the Army, and I imagine they could go to heaven together without the slightest reflection on the officers."

"Laughter and applause" appear to be the order in the House on the morning of March fourth. Hear Mr. Hudspeth, of Texas:

"Mr. Speaker and gentlemen of the House, the Texas and Southwestern Cattle Raisers' Association, the greatest association on this earth in numbers and personnel, will meet in the greatest city in this country in the greatest State of the Union on the 12th day of March, 1923. I am authorized and requested to invite the Congress of the United States to meet in the city of El Paso at that time as guests of the association. I am also authorized to state that your eats will be provided, during the entire time that you are there, likewise your drinks." (Prolonged applause).

But Mr. Young (N. Dak.) had more serious matters to place before the House: "Mr. Speaker, and gentlemen of the House, I desire to call attention to the ventilation of this Chamber.

MR. McARTHUR (Oreg.): There is none.

MR. YOUNG: My friend from Oregon appreciates the situation. There are no windows in any part of this Chamber and all the doorways lead to hallways and corridors. . . . I call attention to the fact that when a Congress has been in session a large number of days, the mortality has greatly increased. . . . There were 23 deaths during the Sixty-seventh Congress.

MR. SNELL (N. Y.): Does the table include political deaths that take place from time to time?

MR. YOUNG: No. This is a matter, I think, that ought to be considered seriously, because unless something is done to give us real ventilation it may mean to all of us a death that is worse than political death. . . .

MR. BARKLEY (Ky.): Is the gentleman trying to discourage opposition to sitting Members of the House by calling attention to the death rate?

Mr. Kline (Pa.) arose for a swan song: "Mr. Speaker, and gentlemen of the House, I came into Congress three years ago. I am going out one hour and four minutes from now. . . . These have been two delightful years, red-letter years in my life, and they have been delightful in large part because on the Republican side I have found upright, honest, splendid, kindly and courteous gentlemen. And on the Democratic side I found as well upright, honest, splendid, kindly, and courteous gentlemen.

Several Members: Oh, no.

MR. KLINE: Yes, sir, they have been nice to me. And I want to say something more, that

I have found the entire delegation of the Socialist Party just as honest, upright, kindly, and courteous as any of the rest. (The "entire delegation" of the Socialists in the 67th Congress consisted of Meyer London, of New York.) It has been a great pleasure to know the delegation of the Socialist Party.

MR. McARTHUR. How about the dries?

MR. KLINE: I will come to that later. I wish to thank you all for the delightful courtesy I have received at your hands. I can proclaim for the rest of my life to my friends everywhere what a splendid lot of men there are in the United States Congress. . . .

MR. BANKHEAD (Ala.): Will the gentleman yield for a question?

MR. KLINE: Yes.

MR. BANKHEAD: In the gentleman's delightful and harmonious experiences, what impression have the ladies of Washington made?

THE SPEAKER PRO TEMPORE: The time of the gentleman has expired.

Shortly thereafter the curtain dropped on the 67th Congress, and along with the negation of the ship subsidy and the soldiers' bonus looms the obscurity enveloping what might have been the answer of the retiring gentleman from Pennsylvania to the momentous question propounded by the gentleman from Alabama.

That the historian of the future, unlimbering his 3291 A. D. latest model writing machine preparatory to his chapter on "The Woman of the Period," can find no light emanating from beneath the Dome, may boomerang on the Speaker pro tempore. By that time people may have learned when to nod.

The Danger in Dust

ENORMOUS losses are caused annually by dust explosions in a large number of industries, says *Fire Prevention Bulletin Number Six*, issued by the Insurance Department of the Chamber of Commerce of the United States. The nature and extent of dust explosions are outlined in the bulletin, with a suggestive consideration of methods of prevention. Grain elevators, feed mills, starch plants, sulphur-grinding plants and other plants where combustible dust is created are particularly susceptible to explosions, the bulletin asserts, in explaining that in addition to the plant directly affected, properties far from the source of the explosion have been damaged by the blasts, a consequence that makes the exposure hazard very difficult of determination.

Tremendous pressures are developed in dust explosions, the Insurance Department finds, and cites as a case in point the destructive force of an explosion at the Northwestern Elevator at Chicago—forty bins and their grain contents with a total weight of 300,000 tons were moved nearly one-half foot on their foundations.

From its inquiries, the department concludes that there is a close similarity between dust explosions and gas explosions, and that in order to have a dust explosion there must be a proper mixture of inflammable dust and air with heat of sufficient intensity to ignite the dust. A primary and a secondary explosion occur, and, if there is a sufficient accumulation of dust to be set in motion by the shock of the first explosion, the propagation of flame will be rapid and is liable to spread throughout the entire plant, the department points out in emphasizing the necessity of preventing the accumulation of static dust.

Among the department's conclusions with regard to the factors affecting inflammability of dust are: That the finer the dust, the more easily it will explode; that a dry dust ignites more readily than a dust with normal moisture content; that it might be expected that a dust having a high ash content would be less inflammable than a dust having a smaller ash content, and that when one particular dust is considered, the size of the particles seems to have the greatest effect upon the inflammability of that dust, but when various dusts are considered, all other factors being equal, the ease of oxidation of the dust is the controlling factor.

Outstanding among the causes of dust explosions, according to the department, are open flames and naked lights—as lamps, torches, lanterns, gas lights and candles;

smoking and striking matches in dusty atmospheres; sparks from electric motors, fuses, short circuits, switches, and the breaking of incandescent lamps; static electricity from friction of the parts of grinding machines, elevators, conveyors, and screens; sparks from pieces of metal or stones that have worked into the grinding machines; friction between belts and pulleys which may produce intense heat with consequent burning of the belts.

Attention is also invited to the heavy losses from dust explosions in threshing machines during operation in the northwestern states. The use of dust collecting fans is recommended to prevent explosion in separators.

To meet fire hazards from the sources indicated, the bulletin outlines a number of preventive measures, including the installation of electric lighting units; enforcement of regulations prohibiting smoking and the use of matches; regular inspection by fire marshals so that they may have definite information as to the condition of the plant in case of fire; installation of all electrical equipment in accordance with regulations approved by fire underwriters and state or municipal authorities, with grounding of all machines having moving parts; provision for the removal of foreign material by means of magnets or other separators, and the avoidance of choke-ups and friction in elevators by means of automatic shut-off of the driving force or automatic signaling devices to warn the operator when the belt begins to slow up.

Safety Course Proposed

PLANT construction is discussed in some detail in the bulletin, and the scope of a study of the dust explosion in the industries of a community is suggested to include a presentation of a committee report to the management of the industries with regard to the conditions disclosed by the committee's investigation.

The committee would try to obtain the cooperation of the management in removing the explosion hazard; and a safety course would be organized for the instruction of superintendents and foremen on dust explosions and safety measures. Where any doubt exists concerning the explosibility of any dust, the Insurance Department counsels that samples of the dust be sent to the Bureau of Chemistry, United States Department of Agriculture, Washington, D. C., which, in addition to its facilities for analysis, is in position to make suggestions relating to preventive devices that should be used in the different industries.

Helping the Farmer Two Ways

PROBABLY no single act of the Sixty-seventh Congress was designed to answer the specific demand of a larger constituency than the "Agricultural Credits Act of 1923," passed in the closing hours of the session. This complex—in some respects confusing—statute was the fruit of widespread agitation over a period of years and finally of prolonged hearings and exhaustive study by our representatives at Washington.

The law recognizes frankly that agricultural credit has certain elements entirely different from those of other industries; it assumes further that this basic producer of wealth deserves full consideration of these peculiar needs.

The Federal Farm Loan Act created a credit system for financing the farmer's basic investment in a physical plant—his land, buildings, etc. Its foundation was land value; its security was the farm mortgage. The Act of 1923 attempts to set up a credit machine for the ordinary month-to-month transactions, adequate and yet flexible, in a manner not possible with real estate mortgages. In many respects it is devised to do permanently what the War Finance Corporation did in the emergency of 1920, 1921 and 1922.

This Act aims to accomplish four things:

FIRST, to make the maturity of loans correspond to the natural termination of the transactions which are to be financed.

SECOND, to afford lower interest rates.

THIRD, to encourage the warehousing of farm products in licensed warehouses, pending final marketing.

FOURTH, adequately to finance cooperative credit and marketing associations.

The first and second of these purposes are fundamentally financial, designed to aid the course of business mapped out by Nature. The third and fourth, while primarily financial, are of vastly greater importance in their possible economic effect; if successful, they may revolutionize the methods of marketing farm products.

In the past, the maturity of agricultural paper has been a matter of more or less camouflage. For instance, a ranchman required a loan to finance the purchase of a herd of cows for breeding. Under the prevailing practice he signed a note for ninety days or six months. Yet both he and the banker knew that the transaction which he was financing would take from eighteen months to three years. Both knew that he did not expect to pay the note at maturity; both expected it to be renewed. If all went well, it was renewed; if a crisis arose, the banker, by force of necessity, had to call it; and the ranchman was forced to sell his herd before the expected increase in numbers and in many instances at the time when cows

By **WALTER W. HEAD**

Vice-President, American Bankers Association

and calves were not in a marketable condition.

That very thing happened in 1920-1921. It brought disaster in many instances to the cattleman, and in some cases to the banker who financed him, with serious consequences to the whole country in the resulting curtailment of future meat supplies.

The Act of 1923 proposes to remedy this situation. It establishes twelve organizations designated as Federal Intermediate Credit Banks, each operated by officers of the twelve existing Federal Land Banks. These banks are authorized to rediscount the notes of farmers who have borrowed through banks, trust companies, livestock loan companies, cooperative credit or cooperative marketing associations, such notes to be indorsed by the agency through which they are submitted and to mature within a period of from six months to three years from date of rediscount. They may also make loans direct to cooperative producing or marketing associations if the loans are secured by warehouse or shipping documents covering non-perishable agricultural products, or by mortgages on live stock.

These banks are government institutions, each capitalized at \$5,000,000 with the entire stock owned by the Government. Additional funds may be secured by the sale of tax-exempt debentures, having a maximum maturity of five years, provided the total of these does not exceed ten times the paid-up capital and surplus of the issuing bank. The debentures are secured by the notes held by the bank, which become the basis of their issuance.

The Act also authorizes the incorporation of private corporations, designated National Agricultural Credit Corporations, which are to have a minimum capital of \$250,000. These corporations may make loans or may rediscount notes with a maturity not exceeding nine months, when made for an agricultural purpose, and when secured by warehouse receipts covering non-perishable products. They may also make loans or rediscount notes for a longer maturity, not exceeding three years, when secured by chattel mortgages upon maturing or breeding live stock or dairy herds.

Such corporations may secure capital by three-year collateral trust notes sold to the public, or by rediscounting with similar larger corporations (capitalized at not less than \$1,000,000) which may be organized for this purpose.

It will be noted that these provisions do

more than the very essential thing of timing the maturity of agricultural loans to the normal period of the transaction financed. They make the debentures of the Intermediate Banks tax-exempt, which permits a lower interest rate. They provide for credits based upon agricultural products stored in licensed warehouses. Such credits may be extended to private owners of such products.

Particularly, however, is encouragement given to cooperative marketing associations, which may borrow direct from either the Intermediate Bank or the private Credit Corporation upon the security of warehouse receipts or chattel mortgages on live stock. In effect, this is designed to make agricultural products and live stock liquid assets.

This feature is further emphasized by an amendment to the Federal Reserve Act, which extends the maturity of notes which a Federal Reserve Bank may discount, from six to nine months, provided the loan is for agricultural purposes and is secured by warehouse receipts or chattel mortgages on live stock. This affords entrance in time of seasonal demand, to the credit stores of the Federal Reserve system.

The effect of this is two-fold: First, it adds very materially to the basis upon which credit may be extended to farmers and ranchmen; second, it tends to encourage the development of licensed warehousing and cooperative marketing, since it is through these agencies that these new sources of credit may be made available.

The thought may occur to some not thoroughly acquainted with agricultural processes that such credit and such encouragement of delayed marketing means increased speculation. That need not follow. The fact is we eat bread the year round, although the wheat crop is harvested in five months. Somebody must and does hold the wheat from season to season or until it is consumed. The farmer should participate in that holding.

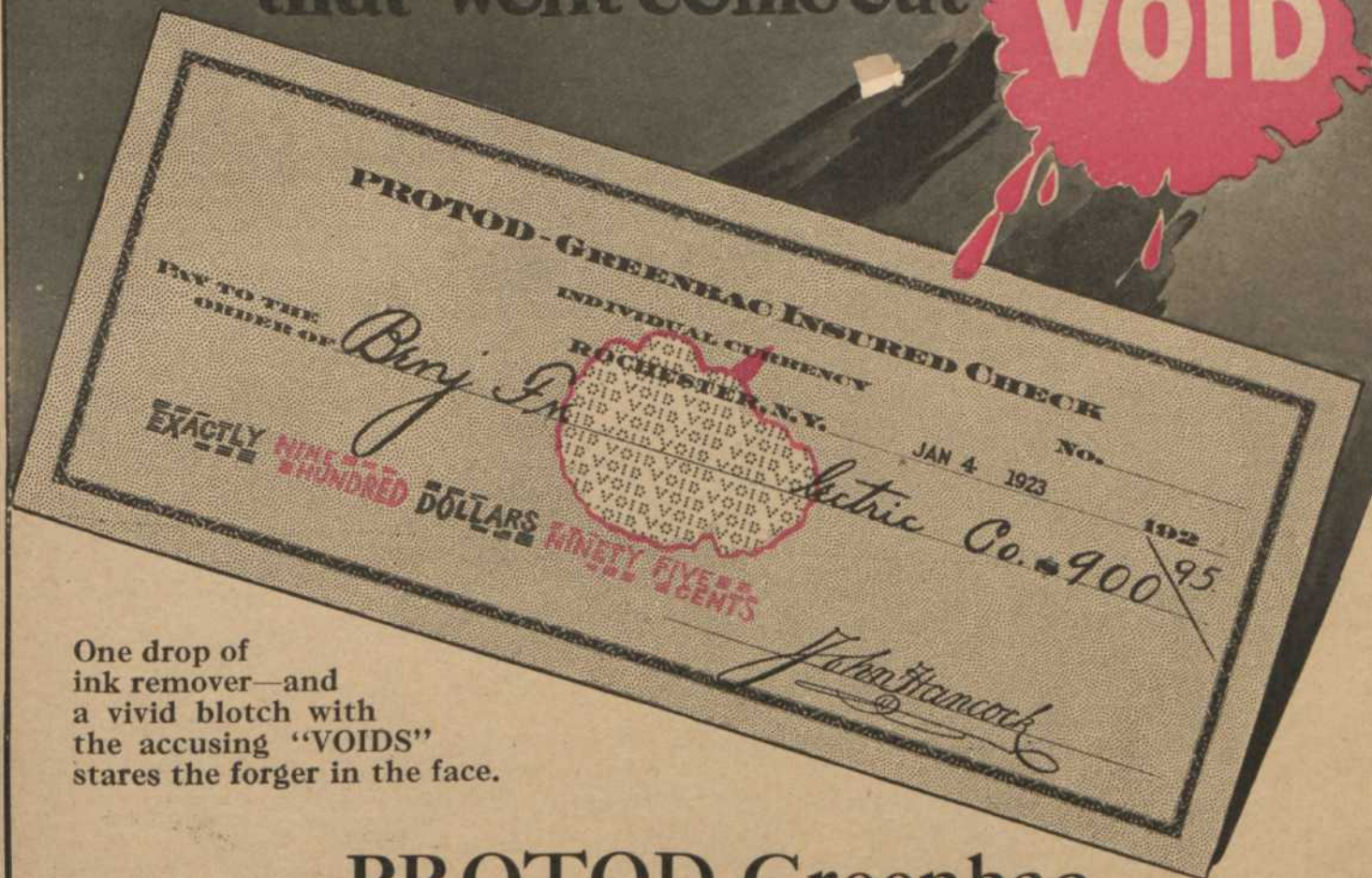
The credit here proposed should, and in my judgment will, enable him to market his crop more nearly in accord with the consumers' demand instead of forcing him to throw too large a proportion of it on the market during the harvest period or during the six months immediately following. That is reasonable and right.

As with the Federal Reserve system and the Federal Farm Loan Act, the test of this Act will depend upon its administration, which is placed in the hands of the twelve Federal Land Banks. The success of these institutions in carrying out the purpose of the Federal Farm Loan Act gives us reason to believe that the development of the new credit system may prove to be satisfactory.



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Photograph of the Nat'l City Bank building of Indianapolis recently designed and constructed by Hoggson Brothers



The white lines indicate the size of the lot, the entire area of which was occupied by a two story banking room. Note the portion of lot area occupied by the office section

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THE success of an investment in a bank-and-office building depends upon a number of factors oftentimes not sufficiently considered—among the important ones being the ratio of gross floor area to the cubic foot cost of construction, the ratio of net rentable area to gross floor area, the ratio of elevator equipment cost to net rentable area, and the extent to which the entire floor area is well lighted and well ventilated.

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up with the activity in copper and in building, and higher sheep, wool, wheat and potato prices. March copper production was double that of a year ago and would be larger if labor could be secured. Production of leading crops in April was well above 70 per cent. Failures still exceed a year ago in many of those states and in New England, where spring buying was late in starting. Slumps in oil prices, due mainly to enormous California production, have tended to slow trade somewhat in the southwest.

The Spreading White Areas

THE widening circle of good conditions in Massachusetts, Rhode Island and New Hampshire is recognition of the special activity in textile and paper manufacturing, the machinery trades and jewelry.

The spread of white over Pennsylvania, Ohio, Indiana and Illinois is based also on the vastly increased activity in industry, notably iron and steel, automobile and accessory production and building and kindred lines. Coal buying has been better recently, in some, not all, sections.

The growing area of white at the south is evidence of high prices for cotton reinforced by activity in the oil and lumber industries, output of the latter being limited only by labor supply, railway transportation and weather conditions. The railroads the country over are driven hard, car loadings in the third week of April of forest products and live stock breaking all records.

Two great divisions of the fuel and lighting industries, coal and petroleum, are in what might be called interesting positions. Soft coal production since January 1, slightly in excess of 10,500,000 tons a week, would, if continued for a year, closely approximate the high records of the war years 1917 and 1918, 552,000,000 and 579,000,000 tons respectively. Buying, however, is none too active, and production feels it, as prices are little above a year ago. Given the spur of war, more than 13,000,000 tons of soft coal can be mined weekly. Anthracite buying for household sizes has been, and is, active, but industrial sizes tend to accumulate. A new record may be made this year, however, as production has averaged 2,000,000 tons a week.

With consumption of petroleum so far in 1923, at the record annual rate of 655,000,000 barrels, stocks on hand increased 8,000,000 barrels in the first quarter and gained 37,000,000 barrels during the past twelve months. Hence, the weakness of crude oil prices which fell 10 to 25 cents in April, and again in May, lower prices for kerosene and automobile fuel, lower quotations for the "oils" on the stock exchange, which seems to have started the present weakness in that market, and the fading of the dreams of dollar gasoline of some radical senators.

Coal and petroleum production differ in one respect. Coal mining can be stopped, but efforts to stop drilling in a demonstrated oil field are only possible where individual owners are few, and a sensible agreement to stop wasteful drilling and pumping may be reached.

It must have occurred to anyone who has watched the business revival of the past two years that the turning of the corner from depression to activity in the building industry in 1921 was swifter than in any other industry. The housing shortage, due to the semi-starvation of the war years, was of course the moving cause of this.

Building is essentially a ready-money trade touching labor and industry at many points, and it may be that this trade, which did so

much to pull general trade and industry out of the depression, may prove a good guide for the future. Reports from New York building trade are that pushing up of labor costs by "snowballing" strikes and demanding of bonuses has about reached the breaking point. Still, early advices indicate that the record-breaking March building total may be equalled by that for April despite a sharp falling off in Greater New York.

"Where do we go from here?" is the question asked by the American trade and industrial community, which has passed from the peak of after-war activity down through the valley of depression and deflation and up again to the heights of new and record-breaking achievements all in three years. At present the path is apparently over the plateau of large trade with output close to the limit. The above question is not asked in any spirit

Business Still Improves and Is Consolidating Its Gains

By ARCHER WALL DOUGLAS

THERE IS growing uneasiness throughout the country because of the general feeling that we seem to be entering upon that vicious circle which brought such widespread grief in its train not so long ago. On the surface all is well, for manufacturers everywhere are far behind on their orders, and yet the cry is, still they come.

Freight car loadings are ahead of those for some years past, and the great surplus of only twelve months ago has been transformed into a constant shortage despite the steady increase in railroad motive power and in transportation facilities. The metal mines are busier than for many months, and prices of their ores bear witness to the unceasing call for them. Blast furnaces are breaking records in their output, and so are the mills in more finished forms of iron and steel. Factories of rubber goods are operating at the top of their capacity, and tire production is at the highest point it has ever known. Automobile output is much greater than last year, and the demand seems still insatiable. Consumption of cotton by textile mills is far in excess of last year, while stocks of raw cotton are smaller than for nine years past at this season.

Now all these matters are cheering enough, and furnish much material for forecasts of abounding prosperity, both now and to come. But there are other happenings which must give us pause. Some industries are at their peak, or nearly so, although they may maintain their present gait for some months to come. Building is one of them, if for no other reason than that the steady increase in the cost of construction is fast making it almost prohibitory.

Then, too, we have passed the point where demand exceeded production, and the reverse is now true. We do not seem to realize that the productive capacity of this country in every line of industrial endeavor needs only time enough to swamp any possible demand.

Also that Europe is in no position now, nor likely to be in the near future, to take any great resulting surplus off our hands. Besides, advancing prices are already beginning to curtail buying in some lines. In all well-ordered business organizations one of the fundamental policies is that an increase in output, within the limits of normal production, should naturally result in decrease in cost of operation.

of misgiving but cheerfully, as befits those who have been and are doing a big business and look for things as big or bigger in the future.

The answer may be found in the progress of the crops now in or going into the ground; in the more cheerful air of things in foreign markets, from which we have not drawn very much sustenance of late (although our foreign trade is expanding, most of the gain is in imports of manufacturers' materials, hence, the record-breaking customs duties collected); in the unquestionably vastly increased purchasing power of the country at large and particularly of "labor," or finally in the answer which the consumer, who in the last analysis must pay for all the higher costs, may make some months hence to increased prices for things which he wants to eat, wear or otherwise utilize.

That policy evidently is not in working order now. The busier the mills and the mines are, the higher the prices of their products. The advance commences with raw material and runs the entire gamut of the finished product. It mostly appears to be a taking advantage of the situation, sometimes by the manufacturer, sometimes by labor, often by both.

It is all very human, very natural, but none the less very shortsighted. When it finally comes to an end, it will leave us with much to do over again that we had partly accomplished on our way to a more permanent prosperity than we are experiencing, or are likely to experience in the near future. One portentous feature is the shortage of labor, which has created a specious demand for cheap labor from abroad, a demand that is not likely to be gratified. For it seeks to cure a passing economic difficulty by incurring a lasting social ill.

Some Effects of the Labor Shortage

THE shortage of labor in industrial life is drawing negroes from the southern farms to manufacturing centers in northern latitudes and setting up social problems in such localities that generations may fail to solve.

This movement of negroes from the South is singularly localized as to states. The exodus prevails largely from South Carolina to Georgia, but is scarcely known in North Carolina. It is marked in Arkansas, Tennessee and Alabama, but is of small moment in Texas.

There was also in 1922 a steady drift to the cities of whites from farms all over the country. Much of the impelling force of this movement was due to higher prices of labor in industrial centers that prevailed in the countryside. The usual comment on this happening is that it is due to natural causes and will likewise be rectified by these same causes, and need therefore give us no concern for the future.

Unfortunately this soothing theory that all's right in the world finds no warrant in human history. Every civilization in the past had for a fundamental and insoluble problem this unchecked drift from country to city. Nor is there any record in all time that the tide ever reversed itself, save in the de-

(Continued on page 62)

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struction of the great capitals of the countries whose ruin they finally accomplished.

Most thinking men now believe that our own civilization will finally triumph over the manifold dangers which threaten its existence. But it can only do so by developing new recreative forces unknown to any of the nations who preceded us. The present actual decrease in farm population, during the past twelve months, has naturally created a shortage of labor in agricultural sections, accompanied by higher wages. This tends to decrease the contemplated acreage to be seeded this spring, and this tendency is further accentuated by widespread precipitation in March and April which kept the farmers out of the fields, made the ordinary country roads impassable, and placed a severe handicap on the business of distribution.

At this writing the probabilities are still for an increase in acreage in those commodities whose prices are remunerative, especially

cotton, corn and tobacco. There will be fewer Irish potatoes this year and not so many sweet potatoes. There will be more sugar beets, but not so much spring wheat, because of a late cold spring that made seeding impossible until almost the last available moment.

There is small prospect at present of the winter wheat crop being so large as last season. The acreage of growing wheat is less, and there is much damage by drought and winter killing to the plant in the western portions of Oklahoma, Kansas and Nebraska, with consequent abandonment of considerable acreage. Green bugs are reported in large numbers in Texas, Oklahoma and southern Kansas, and chinch bugs in widely scattered localities. Fruit in many states was hurt by the late spring freezes, peaches as usual because of their invincible tendency to be too previous. They will have a much smaller yield than last year.

The abundance of moisture in the soil in

practically all sections is not only the best possible harbinger of abounding crops later on, but it has also given new life everywhere to pastures and grazing ranges. Livestock is consequently not only in fine condition but is increasing in numbers. This is especially true of lambs, and of hogs, which continue to come to market in great numbers.

While farmers are encouraged by the much improved conditions and prospects in agricultural life, they perceive clearly the unhealthy tendency in industrial life as manifested in unduly higher prices and the inevitable complications which must ensue if costs of fabricated materials get further out of joint compared to prices of farm products.

An abundant harvest at remunerative figures may postpone the adjustment for a time, but the only thing that will continue the present tide of prosperity at any length is the cessation of advancing wages and higher costs of commodities in industrial life.

A Kaiser of the Coffee Trade

By WM. H. UKERS

Author of "All About Coffee"

THERE NEVER was a coffee romance like that of Hermann Sielcken's. Coming to America a poor boy in 1869, forty-five years later he left it many times a millionaire. For a time he ruled the coffee markets of the world with a kind of autocracy such as the trade had never seen before and probably will not see again.

And when, just before the outbreak of the World War, he returned to Germany for the annual visit to his Baden-Baden estate, from which he was destined never again to sally forth to deeds of financial prowess, his subsequent involuntary retirement found him a huge commercial success. It was the World War and a lingering illness that, at the end, stopped Hermann Sielcken. But though he had to admit himself bested by the fortunes of war, he was still undefeated in the world of commerce. He died in his native Germany in 1917, the most commanding and the most cordially disliked figure ever produced by the coffee trade.

Hermann Sielcken was born in Hamburg in 1847, and was seventy years old when he died at Baden-Baden, October 8, 1917. He was the son of a small baker in Hamburg. Before he was twenty-one, he went to Costa Rica to work for a German firm there. He did not like Costa Rica, and within a year he went to San Francisco, where, with a knowledge of English already acquired, he got a job as a shipping clerk. This was in 1869. A wool concern engaged him as buyer, and for about six years he covered the territory between the Rockies and the Pacific, buying wool.

On one of these trips he was in a stage-coach wreck in Oregon and nearly lost his life. He received injuries affecting his back from which he never fully recovered, and which caused the stooped posture which marked his carriage through life thereafter. When he recovered, he came to New York seeking employment and obtained a clerical position with L. Straus & Sons, importers of crockery and glassware. In 1880 he married Josephine Chabert, whose father kept a restaurant in Park Place.

Sielcken had learned Spanish in Costa Rica, and this knowledge aided him to a place with W. H. Crossman & Bro. (W. H. and George W. Crossman) merchandise commission merchants in Broad Street. He was

sent to South America to solicit consignments for the Crossmans and was surprisingly successful. For six or eight months every South American mail brought orders to the house. Then, as the story goes, his reports suddenly ceased. Weeks and months passed, and the firm heard nothing from him.

The Crossmans speculated concerning his fate. It was thought he might have caught a fever and died. It was almost impossible to trace him; at the same time it distressed them to lose so promising a representative. Giving up all hope of hearing from him again, they began to look around for some one to take his place.

Then, one morning, he walked into the office and said, "How do you do?" just as if he had left them only the evening before. The members of the firm questioned him eagerly. He answered some of their questions, but most of them he did not. Then he laid a package on the table.

"Gentlemen," he said, "I have given a large amount of business to you, far more than you expected, as the result of my trip. I have a lot more business which I can give to you. It's all in black and white in the papers in this package. I think any person who has worked as hard as I have, and so well, deserves a partnership in this firm. If you want these orders, you may have them. They represent a big profit to you. Good work deserves proper reward. Look these papers over, and then tell me if you want me to continue with you as a member of this firm."

From Coffee Prince to Coffee King

AFTER the Crossmans had looked those papers over they had no doubt of the advisability of taking Sielcken into partnership. He was admitted as a junior in 1881-82 and became a full partner in 1885. For more than twenty years Hermann Sielcken was the human dynamo that pushed the firm forward into place of world prominence. He was the best informed man on coffee in two continents; and when, in 1904, the firm's name as changed to Crossman & Sielcken—W. H. Crossman having died ten years before—he was well prepared to assert

his rights as king of the trade. He proved his kingship by his masterful handling of valorization three years later.

Sielcken was many times credited with working "corners" in coffee; but he would never admit that a corner was possible in anything that came out of the ground and to the end was insistent in his denials of ever having cornered coffee.

As a daring trader, he won his spurs in a sensational tilt with the Arbuckles in the bull campaign of 1887. Because of this he became one of the most feared and hated men in the Coffee Exchange. For a while, coffee did not offer enough play for his tremendous energy and ambition. He embarked in various enterprises, among them the steel industry and railroads. No one was too big for Sielcken to cross lances with. He bested John W. Gates in a titanic fight in American Steel and Wire. He quarreled with E. H. Harriman and George J. Gould over the possession of the Kansas City, Pittsburgh, and Gulf Railroad, known as the Kansas City Southern, and, backed by a syndicate of Hollanders, obtained control.

While still busy with the Kansas City Southern enterprise Sielcken began work on the coffee valorization scheme that he carried to a successful conclusion in spite of the law of supply and demand and the interference of the Congress of the United States. Valorization by the Sao Paulo Government, and by coffee merchants, having proved a failure, Sielcken showed how it could be done with all the American coffee merchants eliminated—except himself. In this way he secured for himself the opportunity he had long been seeking—the chance to bestride the coffee trade like a colossus.

When his partner, George W. Crossman, died in 1913, it was discovered that the two men had a remarkable contract. Each had made a will giving one million dollars to the other. Then Sielcken bought his late partner's interest in the firm for \$5,166,991.

His first wife having died at Mariahalden, his home in Baden-Baden, seven years before, Sielcken married at Tessin, Germany, in 1913, Mrs. Clara Wendroth, a widow with two children, and the daughter of the late Paul Isenberg, a wealthy sugar planter of the Hawaiian Islands. At that time the coffee king was dividing his time between the

(Continued on page 64)

• YELLOWSTONE • ROCKIES • GLACIER • CASCADES • CRATER LAKE • OLYMPICS • RAINIER • COAST RANGE • ALASKA •



THE AMERICAN WONDERLAND

NOW lay down Baedeker. Turn for a moment from the famous tourists' haunts of the Old World to the wonderland of the New—

And behold a grandeur and majesty of natural beauty to challenge all of Europe—nay, all the world!

A scenic glory utterly beyond comparison.

* * *

Here sits Eternity incarnate in stone—as overwhelming in the Olympics, the Cascades or the Rockies as in the Andes or Himalayas.

Here, in the mountain valleys, on the snow-patched slopes, are gorgeous riots of wild flowers. All the Alps have none so exquisite.

Here are great rivers, gorges, and tremendous cataracts, unmatched in all the Eastern Hemisphere.

Finally, here are four great national parks—Yellowstone, Glacier, Rainier, and Crater Lake. Wonderful and beautiful all, they run the gamut of

scenic marvels—each with a lure distinctively its own; no one of them equalled elsewhere in all the world.

Nor is the natural beauty of the Pacific Northwest confined to certain favored spots. It is all about you, wherever you go. Every view from the window of your railway coach will reveal it; at every turn of the road you will meet with it.

* * *

And this in your own country—near, conveniently reached, and to be seen

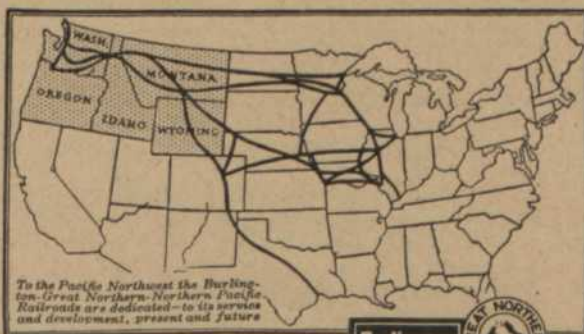
with an ease and comfort to delight the most luxury-loving! Everywhere you will find the wonders of the Pacific Northwest easily accessible—by rail, automobile, boat, highway, trail. Throughout the region you will find magnificent hotels, not only in the larger cities, but even in the wild recesses of the mountains.

And you will feel always the cordial hospitality of the West, exemplified by the numerous and excellent tourist camps, and the friendly helpfulness of the people. Accept that hospitality this summer.

Begin now to plan for yourself and your family the vacation of a life time. See our American Wonderland—the Pacific Northwest!

Write for interesting booklet, "The American Wonderland"

Address: P. S. Eustis, Passenger Traffic Manager, Chicago, Burlington & Quincy R. R., Chicago, Ill.; A. J. Dickinson, Passenger Traffic Manager, Great Northern Ry., St. Paul, Minn.; A. B. Smith, Passenger Traffic Manager, Northern Pacific Ry., St. Paul, Minn.



**Burlington
Route**



**CHICAGO BURLINGTON & QUINCY R.R.
GREAT NORTHERN RY.
NORTHERN PACIFIC RY.**

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To the Pacific Northwest
THE LAND OF OPPORTUNITY

Waldorf-Astoria, New York, which he called his American home, and his wonderful estate in the fatherland.

This latter was a 200-acre private park containing four villas and a marvelous bath-house for guests besides the main villa, a rose garden in which were cultivated 168 varieties on some 20,000 bushes, a special greenhouse for orchids, and landscaped grounds calling for the service of six professional gardeners and forty assistants.

Here he delighted to entertain his friends. Frequently, there were fifteen to twenty of them for dinner on the garden terrace, and, as the moon came up through the tall hemlocks and shone through the majestic pines brought from Oregon, a full military band from Heidelberg down the hillside among the rose trees, mingled its music with the dinner discussions. There was nothing at that dinner table but peace and harmony, although every language in Europe was spoken, for Sielcken knew them all from his youth. Sometimes he entertained his guests with stories of his California life and sometimes with those of shipwrecks in South America.

High Gear, and One-Man-Power

ALL the post-telegraph boys in Baden knew every foot of the sharply winding road up the Yburg Strasse to Villa Mariahalden; and the guests therein have counted more than eighty cables received and more than thirty sent in a single day. Those daily messages were to and from all quarters of the globe, and to and from the master, who handled them all, without even a secretary or a typewriter.

Nowhere in the entire establishment was there even an appearance of business, except as the messages came and went on the highway. Sielcken manifested his greatest delight in showing his friends his orchids, his roses, his pigeons, his trout, and his trees.

Like Napoleon, this merchant prince required only five hours sleep. It was his custom to go to bed at one and to be up at six. Did he wish to know anything that the cables did not bring him, he jumped into his 80-horsepower Mercedes with a party of guests and was off with the sunrise, down the Rhine Valley, on his way to Paris or Hamburg and, before one realized that he was gone, was back again.

In 1913, Sielcken admitted to partnership in his firm two employees of long service, John S. Sorenson and Thorlief S. B. Nielsen. He went to Germany in 1914, shortly before the beginning of the World War, and remained at Mariahalden until he died in 1917. Sielcken never would believe that war was possible until it had actually started. Up to the last moment in July, 1914, he was cabling his New York partner that there would probably not be hostilities. He lost a bet of \$1,000 made with a visiting Brazilian friend a few days before war was declared. The guest believed war inevitable, and won.

A few days before Sielcken's death the old firm was dissolved under the Trading with the Enemy Act, being succeeded by the firm of Sorenson & Nielsen. The former had been with the business thirty-four years, and the latter thirty-two years. The alien property custodian took over Sielcken's interest for the duration of the war.

Sielcken always claimed American citizenship. There was a widely circulated story, never proved, that he tore up his citizenship papers in 1912 when the United States Gov-



German born and German mannered, he ruled with a mailed fist the coffee import trade of this country. But he never liked to be called "coffee king," because, he said, he had never heard of a king who did not fail.

ernment began its suit to force the sale of coffee stocks held here under the valorization agreement.

The Man Who Would Not Be King

THE Supreme Court of California in 1921 decided that he was a citizen, and his interests and those of his widow, amounting to \$4,000,000, held by the property custodian, were thereupon released to his heirs. It appeared in evidence that he took out his citizenship papers in San Francisco in 1873-74 but lost them in a shipwreck off the coast of Brazil in 1876. The San Francisco fire destroyed the other records, but under an act of legislature reestablishing them, the citizenship claim was declared valid.

Hermann Sielcken never liked the title of "coffee king." He was once asked about the appellation and turned smartly upon the interviewer.

"Nonsense," he said. "I am no king, I don't like the term, because I never heard of a 'king' who did not fail."

Sielcken had no use for titles. T. S. B. Nielsen says that at a dinner party in Germany in 1915 he heard Sielcken explain to a large number of guests that the United States was the best country because there a man was appraised at his real value. What he did, and how he lived, counted—not birth or titles.

While his greatest achievement was, of course, the valorization enterprise, he played

a not unimportant rôle in the Havemeyer-Arbuckle sugar trust fight. He aided the late Henry O. Havemeyer to secure control of the Woolson Spice Co. of Toledo in 1896, so as to enable the Havemeyers to retaliate with Lion Brand coffee for the Arbuckles' entrance into the sugar business. The Woolson Spice Co. sold the Lion Brand in the middle west, and the American Coffee Co. sold it in the east.

That was the beginning of a losing price war that lasted ten years. At the end, Sielcken took over the Woolson property at a price considerably lower than originally paid for it.

German Efficiency, Plus

IN 1919, the Woolson Spice Co. brought suit against the Sielcken estate, alleging a loss of \$932,000 on valorization coffee sold to it by Sielcken just after the Federal Government began its suit in 1912 to break up the valorization pool in the United States.

The Woolson Spice Co. paid the "market price," as did the rest of the buyers of valorization coffee; but it was charged that Sielcken, as managing partner of Crossman & Sielcken, sold the coffee to the Woolson Spice Co., of which he was president, "at artificially enhanced prices and in quantities far in excess of its legitimate needs, concealing his knowledge that, before the plaintiff could use the coffee, the price would decline." Sielcken collected, for the coffee sold, \$3,218,666.

When the United States Government crossed lances with Sielcken in 1912 over the valorization scheme, it looked for a time as if he would be unhorsed. But men and governments were all the same to Sielcken; and at the end of the fight it was discovered that not only was he undefeated—for the Government never pressed its suit to conclusion—but that his prestige as king and master mind of the coffee trade had gained immeasurably by the adventure.

Hermann Sielcken typified German efficiency raised to the nth power. He was a colossus of commerce with the military alertness of a Bismarck. His mental processes were profound, and his vision was far-reaching. He was a resourceful trader, an austere friend, a shrewd and uncompromising foe. Physically, he was a big man with a bull neck and black, piercing eyes.

His policy in coffee was one of blood and iron. He brooked no interference with his plans, and he was ruthless in his methods of dealing with men and governments. Usually silent and uncommunicative, occasionally he exploded under stress, and when he did so there was no mincing of words. He knew no fear. Newspaper criticism annoyed him but little, and he had a kind of contempt for the fourth estate as a whole, although he knew how to use it when it suited his purpose. He avoided the limelight and never courted publicity for himself. Socially he was a princely host, but few knew him intimately except perhaps in his native Germany.

Next month Mr. Ukers will tell for our readers the story of John Arbuckle, who was the outstanding figure of the coffee merchandising industry in the United States; a figure as dominating, but far different from Mr. Sielcken, whom Mr. Ukers has described above.—The Editor.



Lighting proved its case at Anderson Cotton Mills

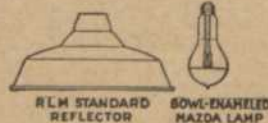
"Our use of 200-watt MAZDA lamps has definitely proved to us the value of good overhead lighting. Our help is more efficient and imperfections in work less numerous than under the old system. Moreover, lighting has wonderfully improved working conditions, thereby decreasing labor turnover. I do not see how any mill which runs at night can afford not to use this or a similar system of lighting."
—F. J. Clark, Superintendent, Anderson Cotton Mills, Anderson, S. C.

Send for these booklets: "Cotton Mill Lighting" and "Cutting Factory Costs with Lighting", telling how to make inexpensive improvements in lighting, and giving the experience of well-known manufacturers who have lowered unit labor cost, improved product and decreased labor turnover through proper use of light. Write National Lamp Works of General Electric Company, Nela Park, Cleveland, Ohio.

Each of these labels represents a Sales Division equipped to give a complete lighting service.

IF your lighting falls short of the specifications of the recipe below in any particular, it's time to think of re-lighting. Ask the man who supplies your National MAZDA lamps for his recommendations.

How to Light Your Factory

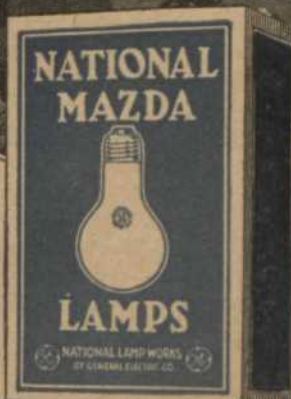



Use 200-watt bowl-enamelled MAZDA lamps in the RLM type metal reflector shown above. Space 10 feet apart.

NELA PARK, Cleveland, is a "university of light" dedicated to improvement in lamps and progress in the art of lighting. It serves 24 factories, 17 Sales Divisions and 15,000 dealers in the production and marketing of 98 million National MAZDA lamps annually for use in homes, offices, factories, stores, streets, railways, flashlights, and automobiles.




NATIONAL MAZDA LAMPS





**CLOSE
TO
POWER
AND
MATERIAL**



**KANKAKEE
ILLINOIS**

Kankakee satisfactorily answers two important questions asked by the manufacturer seeking a factory location—*power and material.*

It is close to the Chicago and Gary steel districts, assuring quick delivery of raw material. Coal mines are only 30 miles away. There are wonderful water-power possibilities in the Kankakee river, and gas and electricity are furnished at low rates.

Only 90 minutes from Chicago. Manufacture in Kankakee in *an open shop town, free from labor trouble, and maintain the sales office in Chicago, if desirable. The same shipping rates as Chicago, without congestion or delay.*

Excellent shipping facilities. Three steam roads and an inter-urban. Kankakee Belt Route connects with railroads east, west, north and south.

Factory sites are 50% to 75% cheaper than in large cities. Rents are lower, living conditions are better. Labor turnover is less. Industry is inevitably locating in medium-sized towns, and Kankakee—close to **Men, Material and Markets**—offers you especial advantages.

For further information address

**J. N. SLETTEN, Secretary
CHAMBER OF COMMERCE
Kankakee Illinois**

Government Aids to Business

The United States Forest Service through its Forest Products Laboratory at Madison, Wis., offers a number

Courses At Madison Laboratory

of courses of instruction for the benefit of industrial firms. The courses include kiln drying, boxing and crating, gluing, and wood properties.

The two-week course in kiln drying offers an opportunity to obtain the most up-to-date practical information on the artificial seasoning of lumber. Firms which make or use shipping containers can obtain from the one-week course in boxing and crating, information that will assist them to make better packages at less expense. Manufacturers of automobile bodies, sash and doors, caskets, or any other product requiring glue, find their interest served by the course on gluing. The course on wood properties and uses is designed primarily for lumber salesmen, but is also addressed to manufacturers and distributors of lumber. Instruction in gluing and in wood properties requires a week for each course.

Information as to details of the courses and their cost will be provided on application to the Director, Forest Products Laboratory, Madison, Wisconsin.

Shellac is discussed in Technologic Paper 232, issued by the Bureau of Standards.

Tests for Adulteration of Shellac

The paper deals with the source, manufacture, uses, and common methods of testing shellac. Specifications are suggested for pure orange flake shellac and orange shellac varnish.

The adulteration of shellac by rosin has interested the bureau, its engineers holding that the generally accepted iodine value method for determining rosin in flake shellac may be subject to very large errors, and that the iodine value method is not applicable to cut shellac.

A method for determining adulteration both by rosin and other substances has now been developed. This new method is as easily applied to cut shellac as to flake shellac.

Technologic Paper 232 may be obtained at 5 cents a copy from the Superintendent of Documents, Government Printing Office, Washington, D. C.

The importance of self-continued mine-rescue oxygen-breathing apparatus in the saving of life and property is presented in Serial 2445 published by the Bureau of Mines, Department of the Interior. Before the introduction of oxygen-breathing apparatus into this country in 1907, mine fires frequently got beyond control and sealing or flooding of mines was necessary, with consequent loss to operators and employees. Engineers of the Bureau of Mines have improved the early types of apparatus, notably in devising mouth-breathing apparatus with automatic feed. The helmet type of apparatus has been superseded by the mouth-breathing type. The fixed feed design which supplies oxygen at a predetermined rate regardless of the wearer's needs has had wide use.

Mine-Rescue Apparatus Improved

The wearing of oxygen-breathing apparatus in mine-rescue work or in fighting mine

fires carries no certain immunity to danger, for the bureau's records show that 23 men lost their lives when wearing apparatus following mine disasters, that number representing 1.2 per cent of the men reported as wearing apparatus. Four other men were overcome when wearing apparatus in executing "rescue maneuvers." A number of causes are assigned by the bureau in its investigation of fatalities, but it concludes that although it is known that 27 men lost their lives when wearing apparatus, it is also known that many times that number of rescue men have been fatally overcome when not wearing apparatus.

The serial presents a variety of information regarding the use of oxygen-breathing apparatus in mine-rescue work. E. H. Denny, mine safety engineer, and M. W. von Bernewitz, mining and metallurgical engineer, collaborated in preparing the serial, which is obtainable from the Bureau of Mines, Washington, D. C.

Estimating acreage and forecasting crops by airplane photography has been undertaken

Crop Forecasts by Airplane

experimentally by the Department of Agriculture. Planes were provided by the War Department for the Department of Agriculture's poison dusting operations, and those planes will be used in making photographs of selected areas of land in cotton and other crops. The entire cotton belt could be photographed in 1,000 flying hours, it is asserted.

The use of aerial photography is regarded as a novelty by the Department of Agriculture, and it has announced that the time-tried methods regularly used by the crop-estimating forces will remain effective.

Acid-proof coatings for concrete surfaces receive fresh consideration in the revised

Coatings for Concrete

Letter Circular 42, issued by the Bureau of Standards. The circular contains many corrections and additional sections, among which are specifications covering materials for acid-proof mastics and methods for their application, and also a detailed description of acid-proof asphalt flooring composition for cold application.

The revised Circular 42 is now available for distribution, and may be obtained on application to the Bureau of Standards.

An information service to answer inquiries regarding government activities has been

Government Activities Indexed

established by the Bureau of Efficiency. The bureau has an index containing 35,000 cards, which relate to the major governmental activities during the last nine years, and the index will be expanded to keep a record of future activities.

The bureau is in position to answer inquiries concerning the subject-matter and scope of official reports, studies, and research projects; and to tell when and by what government agency the work was done.

It should be understood that the bureau does not provide the documents or reports

"GMC TRUCKS
ARE
SEVEN STEPS AHEAD"



Why GMC Trucks Have A Low Price

The Resources of their builders and the way in which they are sold make this possible.

So marked is the low level of the selling price of GMC trucks, when compared dollar for dollar with the quality of each part, and with the completeness of every detail of their equipment, that this question invariably is asked—

How is it possible to build and sell GMC quality at such reasonable list prices?

There are two reasons why.

First, because GMC trucks are built by the General Motors Truck Company, a unit of the General Motors Corporation.

Second, because of the way in which the list price of GMC trucks is established and the basis upon which they are sold.

As a part of the largest automotive

concern in the world, the builders of GMC trucks are able to effect economies of purchase, savings of manufacture and of general overhead expense, not possible in a smaller organization. The actual physical cost of a GMC truck is unquestionably the lowest that can be obtained.

To this cost is added a fair manufacturers profit—no more. This new figure becomes the list price. There are no "extras" in the GMC selling price. There is no margin for meeting competition, nor has there ever been.

GMC trucks more than account for every dollar of their cost, in refinements they provide and in the new and better transportation they afford.

GENERAL MOTORS TRUCK COMPANY—Pontiac, Michigan
Division of General Motors Corporation

GMC Truck Chassis list at the Factory as Follows: 1-Ton, \$1295; 2-Ton, \$2375; 3½-Ton, \$3600; 5-Ton, \$3950. Tax to be added.

General Motors Trucks



BRASCOLITE

PATENTED AND TRADE MARK REGISTERED



This Hall Mark
Identifies Every
GUTH Product

for Better Illumination



Brascolite No. WG
All sizes from 100-watt
to 500-watt lamp.

More Than
a Million
in Use—

a great tribute to Brascolite efficiency

For twenty years Guth designers and engineers have been studying lighting requirements. The invention and perfection of Brascolite, ten years ago, marked the greatest achievement in the lighting fixture industry. It embodied an entirely new principle in the use and direction of the light rays—*diffusion plus reflection at the source of light*.

In Brascolite science and art have been skillfully combined to produce a fixture of pleasing design that gives maximum

service at lowest cost. As a result of its proved efficiency and economy it is today the largest selling lighting fixture in the world—over a million now in use.

We are prepared to design and make any special style or character of lighting fixture that may be desired, and for that purpose our Engineering and Designing Departments are at your service—anywhere, at any time—without obligation. Write Dept. NB for illustrated, descriptive literature.

The EDWIN F. GUTH COMPANY

DESIGNERS - MANUFACTURERS

Lighting Equipment

ST. LOUIS, U.S.A.

Formerly the St. Louis Brass Mfg. Co., and the Brascolite Company

BRANCH OFFICES (Saler and Service)

Atlanta	Boston	Chicago	Cincinnati	Detroit	Los Angeles
Minneapolis	New Orleans	New York	Omaha	Philadelphia	Seattle

COMING!

"Stranger than Fiction Number"

THE August NATION'S BUSINESS will be a treat. In it you will find actual fact romances of business which are so strange as to be even stranger than fiction.

relevant to the inquiry, but refers the inquirer to the proper office or offices where the desired information is available.

Conversion tables for petroleum oils have been prepared by the Bureau of Standards to give the relation between specific gravity degrees Baumé, and degrees American Petroleum Institute. The tables were prepared to avoid the confusion traceable to the use of a special hydrometer scale for petroleum and the Baumé scale for light liquids. Because of the confusion from the use of the scales, both of which were commonly known as "Baumé," it was agreed by the American Petroleum Institute, the Bureau of Mines, and the Bureau of Standards that the special hydrometer scale, based on the modulus 141.5, should be recognized and approved for exclusive use in the oil industry in place of the Baumé scale for all liquids lighter than water, and that it should be known and designated as the American Petroleum Institute scale, abbreviated to A. I. P. scale.

The conversion tables are included in a mimeographed circular known as Letter Circular 89, which makes it clear that the A. I. P. scale, with modulus 141.5, is only for use in the petroleum oil industry, and that the regular United States Standard Baumé scale for liquids lighter than water, modulus 140, should be continued in use for all other light liquids.

Application for the circular should be made to the Bureau of Standards.

Interest in aluminum solders impelled the Bureau of Standards to revise its circular 78 on "solders for Aluminum."

Moisture and Aluminum Solders

Corrosion of aluminum exposed to moisture is accelerated by the use of metals in a soldered joint because the metals act electrolytically as positive galvanic poles. Magnesium is electronegative to aluminum, but it cannot be used to advantage because the metal disintegrates rapidly in the presence of moisture. Engineers of the bureau have reached the conclusion that, if soldered joints of aluminum are to be exposed to moisture, protection against corrosion should be provided by coating with paint or varnish.

A good aluminum solder has a tensile strength of about 7,000 pounds to the square inch, the bureau reports, explaining that aluminum solders with a higher tensile strength usually have such high temperature of liquidation that they are unsuited for soldering aluminum.

The revised circular on aluminum solders will soon be available from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 5 cents a copy.

Analysis of a number of American commercial ammonias now on the market has disclosed that they rank higher with regard to chemical purity than many of the more common chemical reagents.

Properties of Ammonias Determined

The analysis was made by the Bureau of Standards as a basis for compiling tables for the use of engineers in designing and studying the operation of refrigerating machines.

The investigation of anhydrous ammonias was begun several years ago by the bureau at the request of American refrigerating in-

industries. Determination of all of the properties necessary for compilation of engineers' tables has been completed by the bureau within the range of temperature and pressure. Tests made by the bureau disclosed that most American commercial ammonias contain less than .1 per cent of impurities.

A report of the investigation is contained in Scientific Paper 465 on the "Composition, Purification, and Certain Constants of Ammonia." The paper may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 10 cents a copy.

Circular 137 issued by the Bureau of Standards describes auxiliary condensers and

Auxiliaries For Simple Radio Sets

a loading coil for use with a simple home-made radio receiving outfit. This circular is one of a series in which very simple receiving sets are described. The operation of single-circuit and two-circuit receiving sets, described in circulars 120 and 121, may be improved by the use of a very simple and cheap condenser connected across the telephone receivers, and a similar one connected in series with the antenna.

The bureau's experiments disclose that longer waves can be received by the use of a very simple type of loading coil, which is particularly useful in connection with the single-circuit receiving set. The auxiliary condenser, which is used in series with the antenna and the loading coil, may also be used when the crystal detector unit is replaced by an electron tube detector unit, as described in Circular 133, or when an amplifier, to be described in a subsequent circular, is added to the receiving set.

The condenser used in series with the antenna makes it convenient to tune to wave lengths less than 300 meters. The condenser used across the telephone receivers increases the intensity of signals received from some radio stations. The loading coil enables the equipment to respond to wave lengths up to about 3,000 meters. Time signals from high-power stations can thus be received. The use of the loading coil also increases the receiving distance of the equipment, because many of the higher power stations use longer waves.

Circular 137 may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 5 cents a copy.

A universal gas mask and a fireman's canister for use by firemen and other persons when exposed to noxious gases have been designed by engineers of the Bureau of Mines. The complete universal mask and harness weigh about

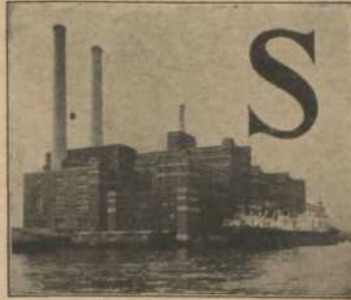
New Gas Mask For All Noxious Fumes

8½ pounds; the fireman's canister weighs about 5½ pounds, and is smaller and more convenient than the heavier mask.

Because of the inability of a wearer to detect carbon monoxide an arbitrary life of six hours has been fixed for the larger of the two masks, although a test of fourteen hours in service disclosed no sign of failure. The duration of the canister's full efficiency is fixed at four hours, allowing a large factor of safety. Penetration of gases other than carbon monoxide may be detected by taste or smell, says the paper, explaining the construction of the masks. A canister fails gradually, so that the wearer has time

INDUSTRIAL POWER FROM A TO Z

(Automobiles to Zinc)



SUGAR manufacturing depends very largely on steam. At the new Baltimore Refinery of THE AMERICAN SUGAR REFINING COMPANY, built by Stone & Webster, Inc., this problem

is met by a boiler house of 6030 boiler horse power designed and built by Stone & Webster, Inc.

The client writes:

"You have rendered a service to this Company marked by skill, efficiency and co-operation of a pronounced character."

We work with you and for you combining our general experience in steam plant or power construction with your specific experience covering your own requirements.

Among our varied installations you doubtless will find examples of plants or extensions that will closely approximate, if they should not exactly meet your present ideas of needed expansion.

STONE & WEBSTER

INCORPORATED

CONSTRUCTION
DIVISION

BOSTON, 147 Milk Street
CHICAGO, 38 S. Dearborn Street
SAN FRANCISCO, Holbrook Bldg.

NEW YORK, 120 Broadway
PITTSBURGH, Union Trust Bldg.
PHILADELPHIA, Real Estate Trust Bldg.



Factory Floors—City Streets

THE TRAFFIC is different in character but in certain vitally important key-spots the wear-and-tear is no less severe.

Loading platforms, receiving platforms, main truck-ways, certain departments and all drives serving the plant need the traffic-tested toughness of Vitrified Paving Brick.

What other paving surface, at equally low cost, will not, in time, rut, crack or crumble, grow slippery from absorbed oil and grease or disintegrate from the action of moisture or acid?

A vitrified brick pavement underfoot at the start reduces pavement-overhead later—in city, state or factory.

In one instance the tax-payer saves—in the other, the stock-holder.

A suitable specification for any particular requirement gladly furnished on request.

NATIONAL PAVING BRICK MANUFACTURERS ASSOCIATION
ENGINEERS BUILDING CLEVELAND, OHIO

FOR ENDURING PAVEMENTS—
VITRIFIED
Brick



Why Does it Cost so Much to Insure Your Automobile?

In the July NATION'S BUSINESS comes an article on a very personal subject: Automobile insurance. The costs are admittedly high, almost prohibitive. We are now gathering the facts, so that we can tell you why—and whether there is any relief in sight.

to escape from a dangerous atmosphere before the concentration of gas breathed becomes dangerous.

The universal and the fireman's masks may be worn in air containing small quantities of any noxious gas, the bureau's engineers assert, but an abundance of air is necessary, because the gas masks do not provide the wearer with any of the oxygen necessary for life.

A warning is carried that an atmosphere in which a safety-lamp flame goes out must never be entered with dependence on a gas mask and that oxygen-breathing apparatus or air helmets should be used in atmospheres devoid of oxygen in life-sustaining quantities.

The two types of masks are described in Technical Paper 300 issued by the Bureau of Mines, Department of the Interior. Copies are obtained by addressing the Bureau of Mines.

The performance of railroad track scales has been studied by the weights and measures

Performance of Railroad Track Scales

division of the Bureau of Standards to ascertain the results of the application of several systems of tolerances now in use by scale testing agencies as a criterion for grading weighing performances. Engineers of the bureau made a statistical study based on 1,000 tests with special equipment.

The results of that study are presented in Letter Circular 88, which is available on application to the weights and measures division of the Bureau of Standards. The bureau believes that publication of the circular may assist in obtaining a uniform tolerance for railroad track scales.

That a saving of more than 30 per cent in the operating cost of a hand-fired return-

Fuel Cost Cut in Boiler Tests

tubular boiler plant was found possible by making simple changes in the furnaces under test, is an outstanding conclusion in Serial 2445, issued by the Bureau of Mines, Department of the Interior, which reports an investigation directed by the fuel section of the Bureau of Mines.

In the course of their investigation, the engineers found that the average cost of fuel to produce 1,000 pounds of steam was \$5287, and after changes in the furnaces, the cost decreased to \$3540. By reason of the modifications of the equipment at the plant in which the investigation was made, the total possible saving in an eleven-months period was shown to be 900 tons of coal and \$12,500 in the fuel cost.

A camera which occupies two rooms of the Department of the Interior building is now used for photographing maps of the United States, maps of oil fields, and charts showing mineral resources. The camera

Survey Uses 3½-Ton Camera

was designed by A. H. Linsenmeyer, of the Geological Survey. The lens, bellows, and copy-holder are in one room, and the plate-holder and dark room are in the other room. The camera will take a picture 1 yard square. It weighs 7,000 pounds, and is operated either by hand or by electricity. Focusing is done by means of an electrical contrivance which flashes a signal when the proper focus is reached.



A Contribution to Civilization

CIVILIZATION is our inheritance from the ages; ours, in trust for a while, to which we must add some useful knowledge that coming generations may widen their horizon.

With this as an ideal, the manufacturing divisions of General Motors have always pioneered in the automotive industry, addressing themselves to the task of reducing costs and increasing the utility of automobile transportation for people and goods—also of motorizing and electrifying the farm to help increase the supply of foods.

Groups of men within the General Motors family have dedicated their lives

to getting facts in mysterious fields lying beyond the boundaries of the known.

Their tools are physics, mechanics, metallurgy, electricity and allied sciences.

These pioneers on the frontiers of knowledge are blazing trails for the automobiles of today and tomorrow. They are a bulwark—an insurance of useful service to consumers of General Motors products because their efforts lead to the improvement of the present product and to the creation of more efficient products at lower costs.

This is one contribution of the divisions of General Motors to the advance of civilization.

A booklet entitled "GENERAL MOTORS RESEARCH CORPORATION" will be mailed if a request is directed to the Department of Financial Publicity, General Motors Corporation, New York.

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Delco-Light Power Plants and Frigidaire

- United Motors Service provides authorized national service for General Motors accessories •
- General Motors Acceptance Corporation finances distribution of General Motors products •
- General Exchange Corporation insures General Motors cars exclusively •

Can You Answer These Questions?

Many men and women, apparently in good health, die years before their allotted time.

The reason and the remedy are embodied in the following questions and answers. Read them carefully.

Why Do Many People Die Too Young?

Because some of the worst wasting diseases show no outward sign of their ravages until too late to halt them.

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A thorough chemical and microscopical examination of the Urine is the most efficient single test known to science for determining the health of the human body.

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Please send me without obligation your booklet, "Span of Life," and full information of your plan.

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State.....

Some Recent Federal Trade Cases

A COAL dock operators' association at Minneapolis, its officers, directors, and members are charged by the commission with having attempted to suppress competition and to create a monopoly in the sale of anthracite and bituminous coal at wholesale and retail in the northwest territory. To the commission's way of thinking, the association has run a foul of the Federal Trade Commission Act because of alleged unfair competition, and also of the Clayton Act by reason of alleged prices discriminations. In its complaint the commission challenges certain practices which it says entered into the business methods of the association. Among those practices are cited:

Circulation among the respondents of suggested price lists and official price lists before they are actually issued, it being generally understood that the prices so submitted would be maintained by the respondent companies issuing them; circulating lists of retail dealers to whom the respondent refused to sell for any reason whatsoever with a key indicating the reason for refusal to sell; selling coal in the cities of St. Paul and Minneapolis at prices less than received for the same grade of coal at the same time in the same quantities in Duluth, Minn.; arbitrarily cutting the price of bituminous coal to compel competitors to join the association and to cease selling below the respondents' list price and subsequently arbitrarily raising the price of coal after competitors had joined the association; using a uniform contract with retail dealers and large consumers prohibiting the purchaser from diverting or using the coal for other purposes than outlined in the contract; refraining from soliciting certain municipal business, recognizing such business as the prospect of the local retail dealer; refusing to sell or to ship coal to retail dealers in the country trade not equipped with the usual equipment of a retail coal dealer.

A DARK plot among dealers in transparencies? That's a paradox suggested by the commission's complaint against a film manufacturer, a distributor of films, and members of a laboratories association. The complaint says that the manufacturing company has acquired a virtual monopoly in the manufacture and sale of cinematograph film in the United States, that competition in the manufacture and sale of prints of motion picture film has been hindered and in some instances eliminated, and that the prices of positive prints sold to producers of motion pictures throughout the United States have been standardized and fixed.

INTERFERENCE with the exploitation of a competitor's product is charged in citations issued to an Ohio wholesale grocers' association and to a soap manufacturing company of Kansas City. The association and the company are alleged to have used various cooperative methods to influence dealers to discontinue the purchase of soaps and other products manufactured and sold by a Cincinnati concern. That cooperative campaign, the commission says, was begun by reason of the fact that the Cincinnati concern had adopted the plan of selling at the same rate to all persons buying the same quantity re-

gardless as to whether such persons are retailers or wholesalers.

THE SIGNIFICANCE of the word "pongee" is involved in a complaint issued by the commission to a mill at Providence and to a firm in New York, which acts as a selling agent of the mill. To a substantial part of the trade and the purchasing public, "pongee" means a fabric composed entirely of silk, the complaint says, in reciting that the mills placed in the hands of its selling agent a cotton fabric which the selling company labeled "De Luxe Pongee," the labeling being done by the selling agent with the knowledge and permission of the mills. That labeling, the complaint says, has a tendency to mislead the trade and the public into

the mistaken belief that the cotton fabric is a silk fabric, and to induce purchases under that belief. The practice is also held to be unfair by the commission in that cotton fabrics labeled "pongee" are sold in competition with silk fabrics labeled "pongee" as made by manufacturers of silk fabrics.

COOPERATIVE agreements to fix and maintain resale prices are charged by the commission against a coffee manufacturer of Richmond and several jobbers in South Carolina and Georgia. The manufacturer of coffee is said to have entered into agreements with the jobbers to refuse to sell his coffee to dealers who do not abide by the prices fixed under the agreements. The fixed price agreements prevent and suppress competition among the jobbers in the agreements and other wholesale dealers, the commission believes, explaining that various methods are used to maintain the fixed prices.

A MANUFACTURER of garment pressing machines at Syracuse is charged with using unfair practices in the conduct of its business. The concern sells its machines on the installment plan, and that plan is also used by the concern's competitors, the commission says. The complaint includes charges that the concern made efforts to sell its machines where competitors had sold their machines, and that it offered to help the prospective customer to break his contract with a competitor. It is also charged that the Syracuse concern supplied legal advice to competitors' customers and offered to accept money paid on a competitor's machine as part payment for one of its own machines.

OFFERING gratuities to those who control purchase of their products is the basis of a charge made against a Philadelphia company engaged in the manufacture of jewelry, stationery, printing and engraving products. The commission contends that a large part of the company's business is conducted through agents who solicit orders from educational institutions, and that those agents offer to students who are class officers or are on committees, cash commissions or presents for the purpose of influencing them to buy the company's products. The giving of gratuities is instrumental in causing com-

Some commodities affected by cases and complaints described in this article are:

Books	Hosiery
Cinematograph film	Oil
Coal	Paint
Cocoa and chocolate	Salt
Coffee	Sausage
Cotton goods	Soap
Fountain pens	Tobacco
Ginger ale	Woolen goods



why more than forty million H&D Boxes were used last year.

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The H & D Package Planning Department has developed some of the most successful containers in use today. It will design for you—free of all charge—a box that will exactly fit your goods and carry them most economically. Just send us a sample shipment—for repacking and return.

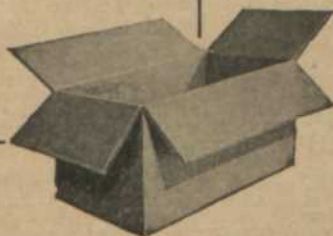
The H & D Box Catalog should be in your purchasing department's hands. A reference to it before ordering your next lot of boxes may suggest some economies over your present packing methods that will surprise you.

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- Does it detect new overhead expenses?
- Does it point out leaks in expense?
- Does it encourage your employees?
- Does it promote intelligent competition?
- Does it point to non-profit paying lines?
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This dozen "does its?" are questions for testing the value of a Cost Accounting System as set down by the experts of the Fabricated Production Department of the Chamber of Commerce of the United States. Most Cost Systems function perfectly along one or more of these requirements. Is your Cost System hitting on all twelve? It *should*. If it is *right* it will.

Our Cost experts—trained accountants with wide and practical experience in many fields of production are at your service—to check up, or to apply anew Straight Line Methods of Cost Accounting. They are available at all our offices.

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PROVIDENCE	ST. LOUIS	DETROIT	RICHMOND	HOUSTON
WASHINGTON	KANSAS CITY	CINCINNATI	BALTIMORE	DENVER

BUSINESS STUDIES

A number of pamphlets are available for distribution by the Chamber of Commerce of the United States. There is given below a list of some of the booklets. One copy of each will be sent free on request. A nominal charge amounting to the cost of printing will be placed on additional copies.

Our World Trade—January to June, 1922.

Free Zones—What They Are and How They Will Benefit American Trade.

International Credits—Referendum No. 1, issued by the International Chamber of Commerce on the application of the Ter Meulen Plan.

Fabricated Production Department—Its service to those engaged in manufacturing and production.

The Railroad Situation—Statement of Secretary of Commerce before the Interstate Commerce Commission.

Overhead Expenses—A Treatise on How to Distribute Them in Good and Bad Times.

Depreciation—A Treatise on Depreciation and Production. Why a Merchant Marine—Reasons why privately owned merchant marine is a national necessity.

Merchant Marine. National Chamber's Position—Report of Chamber's Committee.

Commercial Arbitration—Statement of the field of arbitration and draft of plan.

Perpetual Inventory or Stores Control—How to keep investment in materials and supplies down to the Minimum consistent with efficient operation.

National Obligation to Veterans—The costs of war borne by the States and the government.

Treaty Ratification—Report of the Committee on Foreign Affairs regarding ratification of the several treaties of the Conference on the Limitation of Armament.

Merchandise Turnover and Stock Control—Knowing what is taking place, while it is taking place. Study by Domestic Distribution Department.

Analysis of the Senate Tariff Bill—Showing wherein it meets or fails to meet the tariff policy of the Chamber of Commerce of the United States.

Analysis of the Senate Bonus Bill—Outline of provisions with estimate of cost.

petitors' contracts to be cancelled, the commission declares in holding that acts of the nature outlined are unfair to competitors who do not employ them to obtain business.

THE way in which certain brands of cigars were advertised got two cigar-making concerns and a dealer into trouble with the commission. Advertising cigars under the brand name of "Vantampa" gives the general public the impression that the cigars are made in Tampa, Florida, the commission says in a complaint issued against a company in Greensboro, N. C. Also, the complaint asserts that the use of the word "Vantampa" in connection with cigars made in Greensboro deceives the purchasing public as to the origin and quality of cigars so branded, and therefore constitutes an unfair method of competition. A company which manufactures cigars at its place of business in Baltimore is charged by the commission with having sold those cigars so manufactured under the brand name of "Tampa," a practice tending to give the impression that the cigars were made in Tampa, Florida, according to the commission.

ADVERTISING ground rock salt imported from Germany as the "highest grade of salt obtainable" and without disclosing its foreign origin are declared by the commission to be unfair methods of competition, and in support of that declaration it has issued a prohibitory order against two firms of Norfolk, Va., and a grocery company of Lexington, N. C. Investigation of the case disclosed that one of the Norfolk concerns acted as broker for the other concerns named in the complaint, and sold ground rock salt as "common fine," "fine," and under other designations which meant to the trade and to the public a salt manufactured in the United States by the evaporation process. Designations of the sort indicated deceived the public and were unfair to competitors who truthfully described salt sold by them, the commission says.

By the terms of the order, the firms are prohibited from: Representing in any way as "common fine" or "fine," salt sold and distributed by the firms unless the salt is in fact manufactured or produced by the evaporation process; describing any salt sold and distributed by the firms as being "the highest grade of salt obtainable," when that representation is not true; selling or offering for sale any salt imported from Germany or any other foreign country without disclosing to the purchasers that the salt was imported from Germany or other foreign country.

ACOMPANY organized at Pittsburgh for the manufacture of a non-derrick drilling machine is held by the commission to have used false and misleading statements in its advertising, concerning the cost of manufacture, capacity of the machine, and yearly returns on the money invested in stock of the corporation. The company also gave the impression, the commission says, that it was exploiting a successful machine and made no mention of the fact that the machine was still in the experimental stage. The sale and offering for sale of stock to promote a product which is still in the experimental stage without truthfully disclosing all pertinent facts in connection with that product are condemned by the commission with the issuance of an order to discontinue the practices of which complaint was made.

EXPLOITING a product under alleged false pretenses is the basis of a complaint issued by the commission against a

Chicago concern engaged in the production and sale of a set of books known as "The Standard Reference Work." The commission takes the position that the concern advertised its books as being presented free to each purchaser of a so-called extension service designated as the "Standard Loose-Leaf Extension." That extension service was used as a subterfuge, the commission says, and induced the concern's customers to believe that they were getting a free set of books, when in truth, it is charged, the cost of the service was intended to include the cost of the books. The charge is also made that the concern placed a fictitious value on the set of books, and with agreeing to refund money if a customer was dissatisfied—an agreement that was not observed, the commission asserts.

DISCONTINUANCE of the use of the word "Tar-pentine," "Tarpentine," or words of similar import in connection with the sale or offer for sale of a commodity which is not turpentine is ordered by the commission as a result of its investigation of a complaint against a paint and oil company of Peoria, Ill. The commission found that the company used the name "Tar-pentine" in marketing a commodity resembling turpentine, and in making various claims of the superiority of its product over turpentine. Advertising a product so as to give the impression that it is turpentine when that product is a coal tar distillate and not obtained from the sap of the pine tree is held by the commission to be an unfair business practice.

SIMULATING a competitor's name and labels for the alleged purpose of diverting trade from that competitor is the basis of a citation issued by the commission against a sausage company of Washington, D. C. The company manufactures pork sausage which it markets under labels having the appearance of labels previously used by another company, asserts the commission in connection with its allegation that the use of the labels confuse the public and is unfair to the competing company.

A COMPLAINT issued by the commission reflects its belief that a name which suggests a consolidation of woolen mills is misleading when the firm so named is not a consolidation of woolen mills. According to the complaint addressed to a Salt Lake City company, that company is composed of two knitting mills, and it is the commission's contention that the use of the words "woolen mills" means to the trade and to the general public a mill that spins the raw wool, whereas a knitting mill is understood to be a mill which knits garments from the manufactured woolen and other yarns. In the commission's opinion, the Salt Lake City company misleads the purchasers of its product into the belief that they are buying direct from a manufacturer of woolen yarns and thereby saving a middleman's profit, when that is not the truth.

DOMESTIC ginger ale must not be labeled to give the impression that it is imported ginger ale, the commission contends in drawing a complaint against a manufacturer of ginger ale and his sales agent, both doing business in New York City. Among the commission's charges are that the sales agent, after discontinuing the selling of imported ginger ale, began marketing the ginger ale of the domestic manufacturer, and that the labels used on the domestic ginger ale simulated in color, design and general



Long-Bell Lumber is identified—why?

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Each log is cut for the purpose for which it is best adapted.

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Uniform seasoning in both kiln and air-dried stock.

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Bloxonend (not loose blocks) not only outwears any other known flooring but it stays smooth always. Its smoothness speeds up transportation while its comfortable resiliency eliminates fatigue of workmen caused by cold, hard floors.

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BLOXONEND

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appearance the label used by a Canadian manufacturer. The use of the similar labels, the commission contends, had a tendency to cause purchasers to believe that they were buying an imported ginger ale, to the detriment of competitors who legitimately advertise and sell imported ginger ale.

SELLING cocoa and chocolate preparations to jobbers under false pretenses is charged against a cocoa products company of New York City. The complaint asserts that the company obtains orders for its products from retail dealers to be filled by local jobbers, and that the orders are changed by the company to represent larger orders than originally taken. That practice, the commission thinks, results in the jobbers buying more of the company's products than are actually ordered by retail dealers and thereby causes considerable loss to the jobbers.

ADVERTISING soap as "medicated" or as being made for or by a "medical association" when such statements are not true is held by the commission to be an unfair business act, and it has issued a prohibitory order directed to a soap company at Indianapolis.

MISLEADING practices of labeling and branding hosiery continue to enlist the commission's interest. Labeling and branding hosiery without clearly indicating the material of which the hosiery is composed must stop, declares the commission in prohibitory orders directed to New York and Philadelphia firms. The commission found that the New York company sold and shipped hosiery made of cotton and wool in approximately equal proportions under the following brands: "worsted ribbed hose," "wool fashioned hose," "women's black cashmere," "fashioned cashmere hose," "woman's black wool hose fashioned," and "ladies' high grade cashmere" without other words to indicate the kind or grade of material of which the hosiery so labeled was manufactured. In a case involving a Philadelphia firm, hose composed of varying parts of cotton and silk were marketed under the following labels, the commission announces: "women's two tone silk hose," "ladies' two tone silk hose" and "pure thread silk hose."

IN continuation of its efforts to protect the public against false and misleading representations in the sale of oil stocks or securities the commission has directed prohibitory orders to oil companies doing business in Denver and Oklahoma City. The commission's investigations disclosed that statements concerning the ownership of oil leases, the location of the leases, production of oil from wells owned by the companies, and the payments of dividends from company earnings were either greatly exaggerated or without foundation of truth. False and misleading advertising in connection with the sale of stocks of the two oil companies is ordered discontinued.

TRADE practices attributed to a New York manufacturer of fountain pens and a Providence manufacturer of fountain-pen points have interested the Commission. Fountain pens made by the New York company were marked and labeled with fictitious prices, the commission avers, to cause prospective purchasers to believe that the pens so marked were being sold at greatly reduced prices when that was not a fact. The commission contends that the marketing of fountain pens marked far in excess of prices

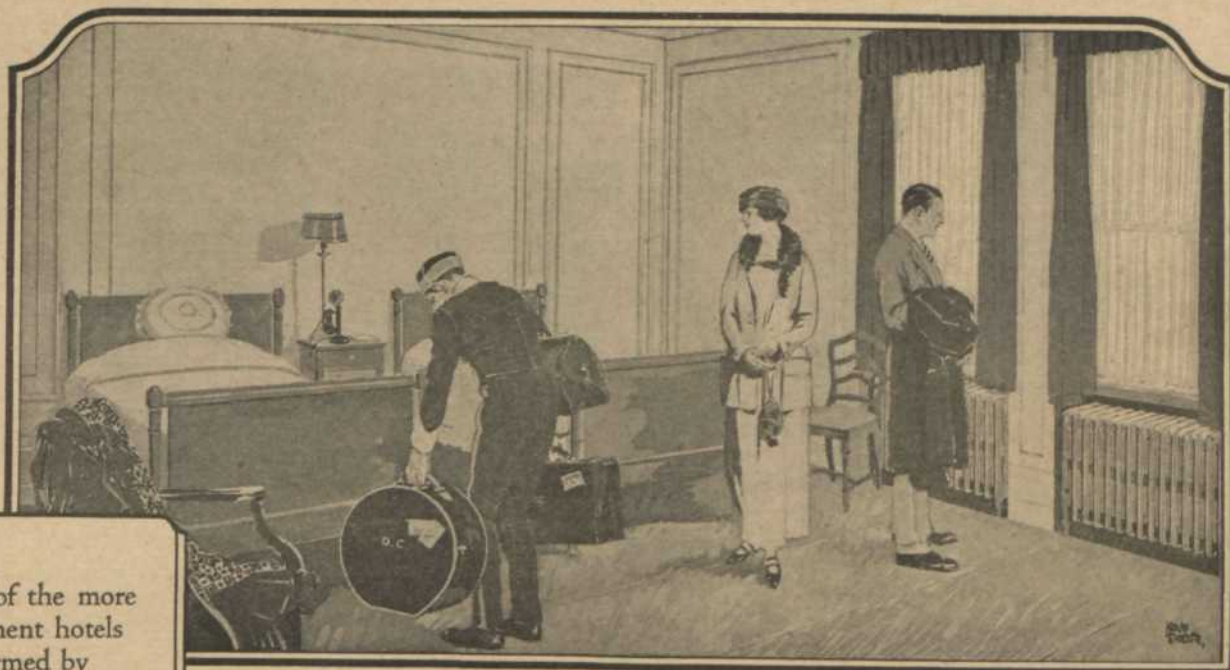
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Hotel Pennsylvania,
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Hotel Sinton,
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Hollenden Hotel,
Cleveland, O.
Belvedere Hotel,
Baltimore, Md.
Hotel Muehlebach,
Kansas City, Mo.
Fairmont Hotel,
San Francisco, Cal.
Pfister Hotel,
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The IDEAL Boiler, which is specified for your home, has had to prove

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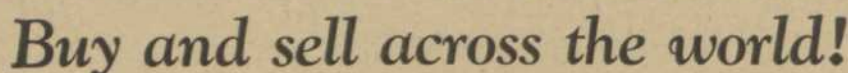
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SAN FRANCISCO, 300 California Street, Douglas 3030			
WASHINGTON, D. C., 1110 Connecticut Avenue, Main 7400			
CHICAGO.....	10 So. La Salle St.	PHILADELPHIA.....	The Bourse
BOSTON.....	60 Congress Street	CLEVELAND.....	1599 St. Clair Ave.
NEW ORLEANS.....	Carondelet Building	SEATTLE.....	Maritime Building
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Pension systems described and analyzed, with those of the B. & O., American Sugar, Otis Elevator and U. S. Steel told in more detail. The author thinks well of an annuity plan by which "every worker who has completed a limited period of service with an establishment

would, for each additional year, receive a paid-up annuity policy, assuring him an income of say, \$10 per year, beginning at 65. . . . Thus, a worker who received a \$10 policy each year for thirty years would be assured an income of \$300 per year on retirement."

INDUSTRIAL UNIONISM IN AMERICA, by Marion Dutton Savage. The Ronald Press Co.

A study of the industries in which an effort has been made to bring into one union all the workers, not merely those who use the same tools. The mine workers are one notable example. A step further brings all labor under one head, and we get such efforts as the I. W. W. and the One Big Union. The author thinks "we must not fail to recognize the idealism and real social passion . . . for an order where neither ownership of the means of production nor power over those engaged in it shall be concentrated in the hands of a few."

ENGLISH FOR BOYS AND MEN, by Homer J. Smith. Ginn and Company. \$1.40.

Elementary English from a new angle for use in factory schools and like institutions. No longer is it recorded that "the dog ran after the cat," but, "can the man wipe a joint?"

THE SHOE INDUSTRY, by Frederick J. Allen. Henry Holt & Company.

It takes 15 pages to list and define "more common terms" used in shoemaking, and three for words describing leather. An intricate industry described from one end to the other by a "research associate" in "vocational guidance."

ALL ABOUT COFFEE, by William H. Ukers. Tea and Coffee Trade Journal.

The wonder is not that any one could write 800 pages about coffee, but that any one could write 800 pages so many of which were of interest to a reader who knew little of coffee except that it came in a cup for breakfast. Coffee in history, coffee in literature, art and medicine, how coffee is grown, shipped, roasted, ground, wholesaled and retailed—all these are treated in a series of fascinating chapters. The housewife may learn how to make it, the planter how to grow it, and the merely curious how other folks around the world drink it. If there is yet to be added a chapter to the literature of coffee, it is hard to imagine what it would be.

YOUR TELEPHONE, by Pauline Dunstan Belden. The Blodgett Press, 1923.

Good telephone manners are good for the business house that has occasion to transmit its personality through the telephone—so counsels the author of "Your Telephone." The book tells how the telephone as "the voice of your business" may be used as a helpful means to win and to hold business friendships.

APPLIED BUSINESS FINANCE, by Edmond E. Lincoln. A. W. Shaw Company.

The name tells the story. Effectively illustrated with reproductions of forms of financial instruments. Any business man would do well at this time to read the first chapter on "Business Finance and the Business Cycle," with its history of 1920.

HOW TO USE THE DICTIONARY, by Martin C. Flaherty. The Ronald Press Company.

A few kind words for an old and valued, if bulky, friend. "The dictionary our most comprehensive reader's handbook." But when you are getting, get a real one, not a half-portion dictionary. A readable, helpful little book.

CONTROLLING THE FINANCES OF A BUSINESS, by James O. McKinsey and Stuart P. Meech. The Ronald Press Company.

How to determine financial needs and how

Immigration!

Don't bring in
unskilled foreign
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to fill them when determined; control of expenditures and credits; subjects like this handled simply and clearly.

LETTERS FROM A BUSINESS WOMAN, by Zora Putnam Wilkins. Marshall Jones Co.

Common sense and good advice in tabloid form for the girl in business or going into business.

TRAINING FOR THE BUSINESS OF ADVERTISING, by Charles W. Hoyt. George B. Woolson & Company.

A handbook full of advice, presumably sound, to the young man who intends to embark on an advertising career.

BUSINESS LIBRARY CLASSIFICATION, by Julia E. Elliott, Chicago. The Indexers Press, 1923.

This is a first attempt to compile a basic classification for the business library. The underlying principles of the classification are in accordance with sound library procedure, and the book should be helpful in the organization of business libraries. Because of the great divergence of needs of various firms, the system, doubtless, would have to be considerably modified in different cases.

CENTRAL FINANCING OF SOCIAL AGENCIES, by W. Frank Persons. Published by The Columbus Advisory Council, Columbus, Ohio, 1922. Paper covers, Pp. 284. Price, \$2.00.

Columbus, like many another American city, is considering the advisability of establishing a community chest with which to finance the work of its social agencies. All the other cities which are or have been in this process of making up their minds, supplement what they can find in printed or written form by correspondence or a brief visit to some "chest" city or an address by a visitor from a "chest" city.

Columbus was much more thorough. It obtained the services of W. Frank Persons, who had been for many years the executive of one of the largest social agencies in the country and more recently had been vice-chairman of the American Red Cross. It sent him to study community chests in six cities and to report on the discussion that is now active in a seventh city. The six cities are Cleveland, Cincinnati, Detroit, Rochester, Philadelphia and Louisville. The seventh is Pittsburgh.

Mr. Persons' long experience in social work made him unusually well qualified for his task and his report, as might be expected, is a mine of information for other cities which contemplate central financing.

Each of the cities selected for his study presents characteristics of its own, so the series of pictures presented gives a very much more accurate impression than could a study of any one. The study was made "with the single purpose of ascertaining the essential facts and the experience and judgment of well-informed men and women, in communities which have adopted and conducted central financing."

This is the most thorough study that has been made of a movement which, young as it is, has already become a practical issue in hundreds of our cities and towns.

YEAR BOOK 1922, NATIONAL ASSOCIATION OF COST ACCOUNTANTS, Bush Terminal Sales Building, 130 West 42d Street, New York City.

The Year Book of the National Association of Cost Accountants for 1922 reflects the association's progress during that year and chronicles its many activities. Included are sections relating to the proceedings at the third international cost conference held at Atlantic City, September 23-28, 1922.

These deal with costs as compared with replacement costs, sales and administrative costs, standards as a means of reducing costs, budgets—their construction and use, the place of costs in business management,

Going to Build?—"See Widmer First"

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cost problems of the textile industry, the annual banquet, membership and chapter officers.

THE HANDBOOK OF BUSINESS CORRESPONDENCE, by S. Roland Hall. The McGraw-Hill Book Company.

A thousand pages sprinkled with samples of good and bad correspondence on every business subject. Even includes two samples of selling tombstones by mail. Chapters are devoted to letters to salesmen and to customers of all kinds. And we always get a little glow of pleasure when we find THE NATION'S BUSINESS quoted.

SERVICE MONOGRAPHS OF THE UNITED STATES GOVERNMENT. The Johns Hopkins Press for the Institute of Economic Research.

The Bureau of Mines, by Fred Wilbur Powell.

The Alaskan Engineering Commission, by Joshua Bernhardt.

The Tariff Commission, by Joshua Bernhardt.

The Federal Board for Vocational Education, by W. Stull Holt.

The Federal Trade Commission, by W. Stull Holt.

The Steamboat-Inspection Service, by Lloyd M. Short.

The Weather Bureau, by Gustavus A. Weber.

The National Parks Service, by Jenks Cameron.

The Employers Compensation Commission, by Gustavus A. Weber.

The Federal Power Commission, by Milton Conover.

The Public Health Service, by Laurence F. Schmeckebier.

The Bureau of Navigation, by Lloyd M. Short.

The Bureau of Education, by Darrell Hevenor Smith.

The Bureau of Pensions, by Gustavus A. Weber.

Brief and excellent surveys of government bureaus. At times we wonder if the surveys can be made as fast as the bureaus are created.

The Profit in Farm Implements

MANY RETAIL dealers who have sold farm equipment are disposed to close out their stocks and discontinue that department of their business because the sale and service of agricultural implements offer no adequate profit, is the conclusion suggested by letters from dealers to the *Eastern Dealer*. In the opinion of the *Dealer*, could the implement manufacturers know of the prospective discontinuance of their products, it would be "alarming." The letters indicate that the writers are going to sell out and quit business, and the *Dealer* says:

Many causes are assigned for such action, but prominent among them is that competition on the identical line they carry is such that no profit can possibly be made, and further that the attitude of the manufacturer and his representatives seem to preclude a possibility of any change in the future.

The day of the salesman urging the dealer to sell at a loss is not past. The day of loading the dealer beyond his demands for sale is not past. The day of selling the agent who has no idea of service is not past. All the things which have been exposed during the last few years as wrong and against the best interest of all concerned still exist, according to the reports coming to our office.

If this was not widespread we should not mention it, for there always have been and always will be merchants entering into the sale of a line and then wishing to give up that line, but the situation is keen enough to warrant serious attention of manufacturers.



*An Improved Form of
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Tax Exempt—Marketable—Safe

*Secured by Government-approved
first farm mortgages or by
Government bonds*

BECAUSE the agricultural industry is divided into thousands of individually owned units, the means of financing farming were cumbersome to both the borrower and the lender until Congress enacted "The Federal Farm Loan Act," on July 17, 1916.

This Act created a new standard form of investment, *Joint Stock Land Bank Bonds*, based on one of the oldest forms of investment—the farm mortgage. These bonds are secured by government-approved first farm mortgages or by government bonds.

Instead of having to mortgage and re-mortgage his property at comparatively short intervals, the farmer is now enabled to borrow for a long period of years and amortize the loan through annual payments.

The investor in Joint Stock Land Bank Bonds is afforded convenience in handling, ready marketability and tax exemption, heretofore lacking in farm mortgage investments. The principal and interest of such bonds are exempt from Federal, State, Municipal and Local taxation.

From the time the first banks were established under the Farm Loan Act, Halsey, Stuart & Co., Inc., have taken a forward part in underwriting and distributing Joint Stock Land Bank Bonds, carefully confining itself, however, to the issues of banks operating in rich, well-established agricultural territories and officered by men thoroughly experienced in banking and loaning on farm lands.

Write for this Pamphlet



Recognizing that authoritative literature on Joint Stock Land Bank Bonds has been lacking, we have prepared a pamphlet which gives information of value to any investor who may own or consider purchasing Joint Stock Land Bank Bonds. It explains the factors to be considered in determining the individual merits of any issue. We shall be glad to send a copy upon request, without obligation.

Write for our current list of Joint Stock Land Bank Bonds and copy of Pamphlet 266

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The Modern Hotel in the Small City

Poor hotel facilities at one time were the distinguishing characteristic of the smaller city.

Today, however, Main Street has its modern, distinctive Hotel, with rooms, service and cuisine that almost rival Broadway and The Boulevard!

What has brought about the change? The Hockenbury Plan of Hotel Finance!

Here is a list of the smaller cities of from 4,000 to 15,000 population wherein Hockenbury Financed Hotels have been, or are being, erected. Ask these cities what they think of The Plan:

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Ocean City, N. J.
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Mt. Sterling, Ky.
Ypsilanti, Mich.
Bridgeton, N. J.
Corry, Pa.
Norfolk, Nebr.
Cynthiana, Ky.
Bedford, Ind.
Johnson City, Tenn.
Astoria, Ore.
Effingham, Ill.
Santa Barbara, Calif.
Michigan City, Ind.
Gardner, Mass.
Payetteville, N. C.
Sheffysville, Ky.

Travelers who formerly evaded these cities will travel out of their way to "make" them!

Ask us for "Modern Hotel Financing"—it's free to Chamber of Commerce members and tells more of The Plan.

The Hockenbury System Inc.
Penn-Harris Trust Bldg.—Harrisburg, Penna.

Heard and Seen in Germany

By FREDERICK SIMPICH

"POINCARÉ . . . Foch . . . Today the French rule all Europe . . . The Poles, the Roumanians, the Czechs—all are their allies . . . It's like Napoleon's time . . . Millions in gold they owe to England and America, but will not pay." So the talk runs in Germany.

"Instead, they make their army big and strong and build more airplanes. France today is stronger than England—could strike London in forty-eight hours! But England is wise—always wise. Look how her trade is growing and how the pound has recovered. It has always been so. After every war, just as soon as the shooting stops, England begins to buy and sell—with the enemy and everybody else!"

Almost everyone, from dawn till dark, talks always of prices, wages, strikes, politics, or coming wars. Only the inventors carry on in the old German way. A sensation of the year is the discovery of a serum for inoculating fruit trees against pests like the San Jose scale. Just as a man is inoculated against typhoid, or vaccinated against smallpox, so this scientist works on trees; he bores a small gimlet hole into the sapwood, in early spring just as the sap is rising, and injects a wineglass full of his serum.

So in the automotive world, in sewage disposal and in the glass industry, various new inventions have been perfected in spite of political unrest, and are being exploited.

I stopped a young man on a Hamburg street to ask the way to a certain shop.

"Have an American cigaret," I invited, in thanking him.

"Thanks," he said, helping himself, "I nearly always smoke imported cigarets."

"But," I objected, "I thought the import restrictions, the high prices"—

"My brother is a customs inspector," he chuckled. "He takes enough cigars and cigarets away from incoming tourists at the dock to keep the family supplied!"

Signs of the old Germany are not wholly lacking, however. The conventional fat man, his head shorn clean, great in girth and with rolls of fat wrinkling down over his collar, is more in evidence now than during the lean turnip times two or three years ago. Whiskers, too, once largely sacrificed to comply with wartime dress standards, are again flourishing. Nowhere, probably, since Babylonian days, have beards been tended with more artistic care and affection. Today, many German beards are so accurately curled, so vast, interminable, almost overpowering, as to make even kinky-bearded old Nebuchadnezzar himself look as nude as a Mexican hairless dog in January. Others, just as long but displaying a straight-line theme of treatment, droop like the weeping willows in an old-fashioned cemetery, imparting a spirit of sadness, of eternal repose.

The old apprentice system still prevails. A 19-year-old boy in my hotel told me he worked for nothing—just got his food—learning to be a waiter.

"After three years' training," he said, "they begin to pay me."

All over Germany, thousands of youngsters are thus in training—grounding themselves in the details of machinery, banking, the commission business, the cotton trade, mining, and so on. In one great machine works at Hannover they maintain a free school, with instructors, moving pictures, and drawing

tools, furnished free to boys who later will be skilled mechanics in this factory. Every day, each student has a shift at the lathes, or in the foundries, in actual practice.

Uncertain though the Germans are as to what ultimate result the French occupation may have, the more level-headed among them are keeping up their courage, struggling patiently to weather the crisis of today, awaiting some turn for the better in Europe's economic sickness. And, as it was in Russia, so it is here now; thousands of old families, once wealthy, live now only by selling off their rugs, jewelry, furniture, etc. Antique dealers reap a harvest, buying from these impoverished countrymen in marks and selling to the collectors from Holland and elsewhere for foreign money.

I saw it myself in one antique shop, and it was not a pleasant spectacle, this timid, halting advance of a stiff-necked, shabby genteel old dame, bringing a vase and a miniature; too undignified, or too sensitive to haggle, this unfortunate merely took what the dealer offered and made her exit in haste and humiliation.

To illustrate the stolid, persistent way the Germans cling to their old habits of life, notwithstanding the turmoil and disaster, let me set down one final incident. In my hotel some Belgian officers were housed—members of the Allied Commission. From my bedroom window, late one wintry afternoon, I watched a crowd of maybe 5,000 people, singing and surging through the streets, protesting against the Ruhr occupation, bent on driving the Belgians from the hotel.

But down in the lobby, and strung along the street in front of the hotel, were stationed two companies of the Safety Police, put there by the German government to protect the foreigners. Again and again these soldiers, some of whom were mounted, calmly and patiently drove back the threatening mob. When the excitement about the hotel was at its height, not two blocks away another great crowd, utterly indifferent to the demonstration at the hotel, was quietly filling the municipal opera house to hear William Tell. And in this crowd, 800 workmen, who had been given free seats by the city, for that night's opera!

Eventually, I, too, by means of a back door and an alley, found myself away from the hotel and in company with a friend who had asked me to the Technical High School, where an illustrated lecture was being held on "Recent Excavations in Egypt." Coming home, we passed the city hall. From it a third great crowd was pouring, having just heard the annual Schubert-Brahms concert by the Hannover Singing Society.

Back in the hotel, in a sample room that lay next to where I slept, a German salesman was unpacking cases of sample hats. Outside, the mob still milled about, singing, shouting. It had not been easy for me to get back into the hotel till I finally convinced the guards that I lived there, and was merely a peaceful citizen of the United States.

"That crowd'll be gone by morning," the salesman calmly assured me as he went on unpacking hats. "Then the milliners and merchants will come to see my stock and place their orders. Business can't stop just because a crowd wants to collect out there in the cold, to sing, and curse the Belgians. *Geschäft ist Geschäft!*"



On Niagara Square, where Delaware Avenue begins. It has 1100 rooms, 1100 baths—and all the comforts (besides some new ones) that have made the Statler Hotels world-famous.

Statler Service is Guaranteed

We guarantee that our employees will handle all transactions with our guests (and with each other) in the spirit of the golden rule—of treating the guest as the employee would like to be treated if their positions were reversed. We guarantee that every employee will go to the limit of his authority to satisfy the guest whom he is serving; and that if he cannot satisfy him he will immediately take him to his superior.

From this time on, therefore, if you have cause for complaint in any of our houses, and if the management of that house fails to give you the satisfaction which this guarantee promises, the transaction should then become a personal matter between you and me. You will confer a favor upon us if you will write to me a statement of the case, and depend upon me to make good my promise. I can't personally check all the work of 6,000 employees, and there is no need that I should do so; but when our promises aren't kept, I want to know it.

My permanent address is Executive Offices, Hotels Statler Company, Inc., Buffalo.

Emory

Ready for You in Buffalo The NEWEST Statler

This largest and finest of the four Hotels Statler is now open in Buffalo—and its beauty and convenience will be a revelation to you. With its opening the old hotel at Washington and Swan Streets (which was the first Hotel Statler) was renamed *Hotel Buffalo*; and the old Hotel Iroquois was closed, its building being converted to other uses.

There Will Be Other Statlers in Other Cities

Another Hotel Statler will shortly be under construction in *Boston*, at Columbus Avenue, Providence and Arlington Streets. It will have 1100 rooms, 1100 baths, and will be in every way worthy of the Statler name and reputation.

In *Detroit*, too, there will be a new Statler-operated hotel for which the ground has been purchased and plans are being drawn. It will be at the corner of Woodward Avenue and High Street, a little way north of Grand Circus Park, where the present Hotel Statler stands.

Why This Steady Growth?

This increase in the number and importance of Statler Hotels in American cities is brought about solely by the good values, the comfort and convenience and satisfaction, which the Statlers provide for their patrons. These values, this satisfaction, go beyond the satisfactory buildings and their equipment, the furnishings and facilities of the rooms and restaurants and lounges; these hotels also guarantee the service they render you—definitely guarantee your satisfaction in the formal promise reproduced at the left.

HOTELS STATLER

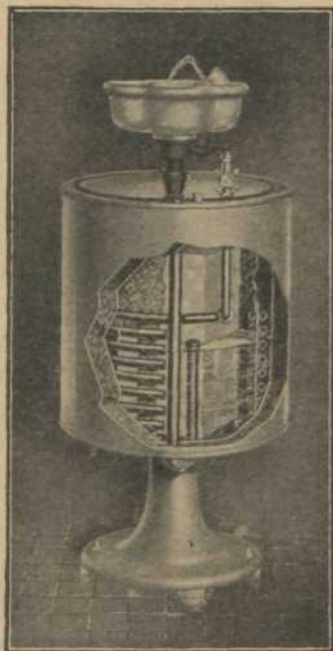
BUFFALO: 1100 rooms, 1100 baths. Niagara Square. The old Hotel Statler (at Washington and Swan) is now called Hotel Buffalo; and the old Iroquois Hotel is closed, not to re-open.
CLEVELAND: 1000 rooms, 1000 baths. Euclid, at E. 12th.
DETROIT: 1000 rooms, 1000 baths. Grand Circus Park.
ST. LOUIS: 650 rooms, 650 baths. Ninth and Washington.
BOSTON: Now preparing to build at Columbus Ave., Providence and Arlington Sts.

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The largest hotel in the world—with 2200 rooms, 2200 baths. On Seventh Avenue, 32d to 33d Streets, directly opposite the Pennsylvania Railway Terminal. A Statler-operated hotel, with all the comforts and conveniences of other Statlers, and with the same policies of courteous, intelligent and helpful service by all employees.

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HALSEY TAYLOR Cooler Fountains are never out of order, or the stream low and unsanitary, when the line pressure is down.

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These are two of the reasons why HALSEY TAYLOR Fountains are recognized as more efficient by manufacturers everywhere.

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HALSEY TAYLOR

Nation's Business Observatory

COTTON GROWING is spreading northward under the impetus of high prices and the ravages of the boll-weevil. Chambers of commerce are trying to establish the planting of cotton in regions above the generally accepted northern limits of the cotton belt, asserts the *Implement and Tractor Trade Journal*. The reader is told that—

For years cotton has been a staple crop in south-eastern Missouri, especially in that part of it which juts for about 40 miles into Arkansas along the Mississippi River. Amateur humorists used to call this "Swampeast Missouri," but drainage and progressive agriculture have deflated the joke. This region contains some of the most fertile and most productive land on the continent.

But, with this exception, cotton is seldom found growing north of the southern Missouri boundary. Even in the mountain counties of northern Arkansas it has never been plentiful. All cotton rules are off this year, however. Howell County, Missouri, plans to plant 1,500 acres. Other counties in the same tier are planning to put in cotton where no cotton grew before. The campaign is extending even into the second tier of Missouri counties. Implement retailers are reporting sales of cotton tools which they had never previously handled. In some cases they have been unable to get the tools.

Southeastern Kansas has also been annexed to the cotton belt, and it is pressing westward, too. New Mexico will have a greater acreage of cotton than ever this year. Dealers in that state report cotton tool demand accordingly. All along this new border of the cotton belt are farmers who formerly grew cotton. They know how it is done and are teaching their neighbors.

Altogether, the northward trend of the cotton belt is a healthy movement. Along this border diversification is already pretty well accepted. There isn't much likelihood that cotton will become the dominant crop. It will simply be one more resource for the farmer and a welcome one. In the meantime, the fight on the boll-weevil will continue. Faith in modern science impels one to believe that the weevil will yet be conquered. In the meantime, it is good to know that some refuge from it can be found in the upper latitudes.

The possibilities of a modification of the cost of production through changes in rates of pay for labor, and the importance of the negro in the economics of cultivation are recognized by the *Manufacturers Record*, which declares that—

While a large amount of cotton is raised in the south by white tenants and farmers it is nevertheless true that the negro has been the basis of the cotton-growing industry of the south and that the low rate of wages paid to the negro cotton workers has been the basis on which all other farm labor has been measured. The world has been trying to force the south to raise cotton in competition with the most cheaply paid labor in the world—that is, the cotton growers in India, Egypt and other countries. The time has long since past when the south should continue to raise cotton except on a basis of full wages for the cotton laborer made possible by a full price to the land owner and the tenant farmer for the price of his product. Otherwise than on this basis cotton growing is a curse to the south rather than a blessing.

A southern view of conditions affecting the growing of cotton in the south is carried in an article written for the *Manufacturers Record* by R. O. Fleming, who explains the feeling that found expression at

Enterprise, Ala., in the erection of a monument to the boll-weevil. Mr. Fleming regards the boll-weevil as a blessing to the south, and he tells why.

Why does the writer say that the Mexican boll-weevil is a blessing in disguise? Because he has taken out of slavery hundreds of thousands and even millions of farmers who knew how to raise nothing but cotton and who did it at a loss three years out of ten, only eking out a living the other seven years. The lesson of diversified farming was learned when forced upon the farmer by the devastating effect of the boll-weevil, a lesson which would never have been taught had it not been for the weevil. Enterprise is situated in one of the richest counties of the wire-grass sections of Alabama, astride the Black Jack Ridge, and surrounded by 1,500 thrifty farmers who own their farms and beautiful homes, who have made it possible that Enterprise be numbered among the best towns south of the Ohio River and east of the Mississippi.

Thus the monument was erected to the cotton boll-weevil at Enterprise, Ala., December 11, 1919, and upon it is this inscription:

In Profound Appreciation
Of the Boll Weevil
And What It Has Done
As the Herald of Prosperity
This Monument Is Erected
By the Citizens of

Enterprise, Coffee County, Alabama.

Artificial Silk Processes

May Eliminate Silkworm

WILL chemicals eliminate the silkworm? asks *Drug and Chemical Markets*, and then proceeds to an appraisal of the factors that have contributed to the significant increase in the production of artificial silk. By way of giving point to the discussion of the chemical processes involved in making artificial silk, the editor explains that—

Twenty-five million pounds of artificial silk a year are produced in America. Add to this a quantity of imported fiber which comes in from Europe, and it brings the yearly American consumption close to 30,000,000 pounds. This is more than half of the 50,000,000 pounds of natural silk used here each year.

In ten years—the industry here amounted to little prior to 1912—the production of fiber silk has risen from about 1,000,000 pounds to 25,000,000 pounds. At the same time, the world's total production of artificial silk has jumped to 80,000,000 pounds per year, of which the four American makers produce one-third.

The rise of artificial silk has been coincident with the expansion of chemistry during the past twenty-five years. The 80,000,000 pounds a year represent a triumph of chemistry in the textile field—the commercial production of a purely chemical textile fiber.

That the industrious worms have champions in this country is shown by an unfavorable view of recommendations in the direction of silk production, which appears in the *Rural New-Yorker*. Silkworm culture is not a good business for Americans, believes the editor of that journal. He puts his belief into this paragraph:

First and last, much advice has been given to American farmers about producing silk. The propaganda bobs up every now and then and is made very plausible. It is true that American farmers are hunting for new crops. It is also true that a great deal of money goes out of this country for raw silk. But these two truths added together will not prove that Americans can make a living at silk production. The fact is that no one, anywhere, en-



A cow kicked Chicago into a bonfire

Which means you must fight fire before it grows big. Globe Sprinklers do this because they are always on the job and ready. They are protecting millions of dollars of property all over the country. Why not yours? *They pay for themselves.*

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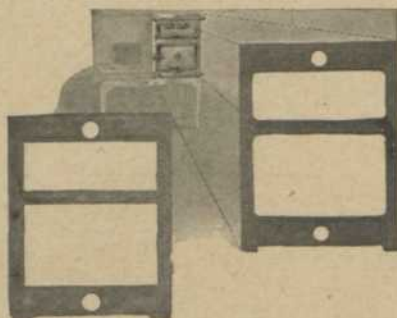
HERE are four typical examples of advantages that "pressing it from steel instead" has accomplished for different manufacturers. By redeveloping cast parts into pressed steel, we saved one manufacturer a total of \$35,000 on his first order—another gained four distinct advantages and two others added seven advantages to their product.

Find Out What We Can Do For You

What we have done for others we may be able to do for you. Our redevelopment engineers stand ready to serve you. Send us a blue print or a sample of any cast part you are using and we'll study your problem. If we can effect some saving through pressed steel, we'll tell you—if we can't you are obligated in no way.

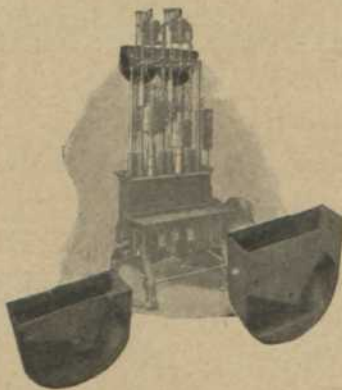
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A stove manufacturer gained these seven advantages through pressed steel—

**Absolute Uniformity
Decreased Weight
No Breakage
Increased Strength
Smoother Surface
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We pressed the hopper from brass instead and gained seven distinct advantages.



We redeveloped this pressed steel wheelbarrow tray with these results—

**Absolutely Watertight
Uniform in Shape and Quality
More Rigid Because All One Piece
Smoother—no seams or rivets to catch a workman's shovel**

gaged in the rearing of silkworms, has ever made anything more than a mere pittance out of the business. Only in a country where the scale of living is very low can human beings exist at silk making. It is no regular business for an American who lives where the scale of living is high. Just as a successful poultryman must be half hen, so a successful silk producer must be half worm, and that is no occupation for an American. The super-optimist will say "there goes that old pessimist again, knocking a new industry." There are some industries that ought to be knocked. Among them we include oil stock promotion, unit orchards, big investments in "novelties," and silkworm culture for Americans.

As artificial silk is used chiefly for knit goods, including hosiery to an increasing extent, says the *Dry Goods Economist*, the significance of the production figures to the hosiery trade is obvious, for, as the *Economist* says:

The bad feature of it is that it opens up such a wide avenue for misrepresentation. The material known as artificial silk is no more silk than mercerized cotton is silk. But goods made altogether or in part from this material are quite commonly sold to the consumer as silk goods—even the qualifying terms of "artificial silk," "art silk," or "fiber silk" are not invariably used. One of these days, no doubt, a distinct name for this textile fiber will be established; but in the meantime it is up to the dealer, in common honesty, to let his customers know whether a stocking is really silk or merely the vegetable product known as artificial silk.

More College Bred Engineers Sought for Railway Service

THE PROBLEM of finding more college-bred engineers for the railways finds place in the editorial comment of the *Engineering News-Record*. Convinced of the acuteness of the need for men with advanced technical training, the editor fixes attention on the results of an investigation which revealed that only about 5 per cent of the graduates of engineering schools now seek employment from the railways, as compared with the "old days . . . when . . . the young engineer drifted naturally into railway work." As the *Record* puts it:

Those who have the interests of the railways at heart recognize that the problems of the railway today cannot be met satisfactorily by the man whose greatest asset is his energy and physical strength, his ability to drive things through to a physical conclusion. Officials with a wider appreciation of the economic aspects are now needed, and they can be secured best from among men of technical training, rather than from those who come up through the ranks as foremen, roadmasters and telegraph operators. The problem now is one of operation, of improvement and increased facilities and of efficient maintenance of equipment and roadbed. It is a transportation question which involves economics, and deals more intimately with the complications of a highly specialized civilization than with the lines and grades, mules and mess camp of a construction job. Engineers, but of a different type, are needed just as much as in the old construction days.

Unquestionably it was the appreciation of the shortage and need of college men in railway work which led to the appointment by the American Railway Engineering Association of its recently announced committee on education. So far, apparently, the A. R. E. A. committee has concerned itself mostly in suggesting to the colleges methods whereby they may improve the teaching of transportation. But the difficulty now is not so much in presenting better collegiate material to the railways nor

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even in persuading the railways that they need the college-trained engineer. What must be done is to persuade the young engineer that he has a future in the railway.

English Railways Make Colors

Identifying Features of Roads

THE IMPORTANCE of standard colors adopted by the railways of England receives editorial notice from *Railway Age*, which tells of the unique exhibition held at Marylebone station to give opportunity to the directors of the newly consolidated London & North Eastern Railway to approve standard colors for the railway's equipment. Says the *Railway Age*:

As is generally known, the various English railways have different standards of colors for their cars and locomotives and with the consolidation of the railways, it became necessary for each new system to decide upon a new standard to take the place of the varying ones of its constituent companies. The exhibition at Marylebone station consisted of equipment painted according to the standards of the Great Northern, Great Central and other constituent railways, together with equipment painted according to the new standards recommended by the mechanical department of the London & North Eastern. The strange feature of this exhibition, however, was that it was not held for the benefit of the general public, but for that of the directors of the railway. The matter of color was considered important enough to refer to the board of directors for decision. This is a notable instance of the importance which the British roads place in appearance, an importance which, it must be admitted, is not accorded to the subject by many railroads in this country.

Incorporating a Duke Is

a Post-War Development

THE FUTURE of the Buccleuch estates in Scotland receives definite form in the announcement that the Duke of Buccleuch and his son, the Earl of Dalkeith, are to float a private joint-stock company for the acquisition of certain of the Buccleuch estates. This proposed acquisition of the Buccleuch estates is significant in view of the breaking up and transfer of large land-holdings which has been a familiar feature of the changing social conditions since the war. In describing the organization of the company, the *Manchester Guardian Weekly* says:

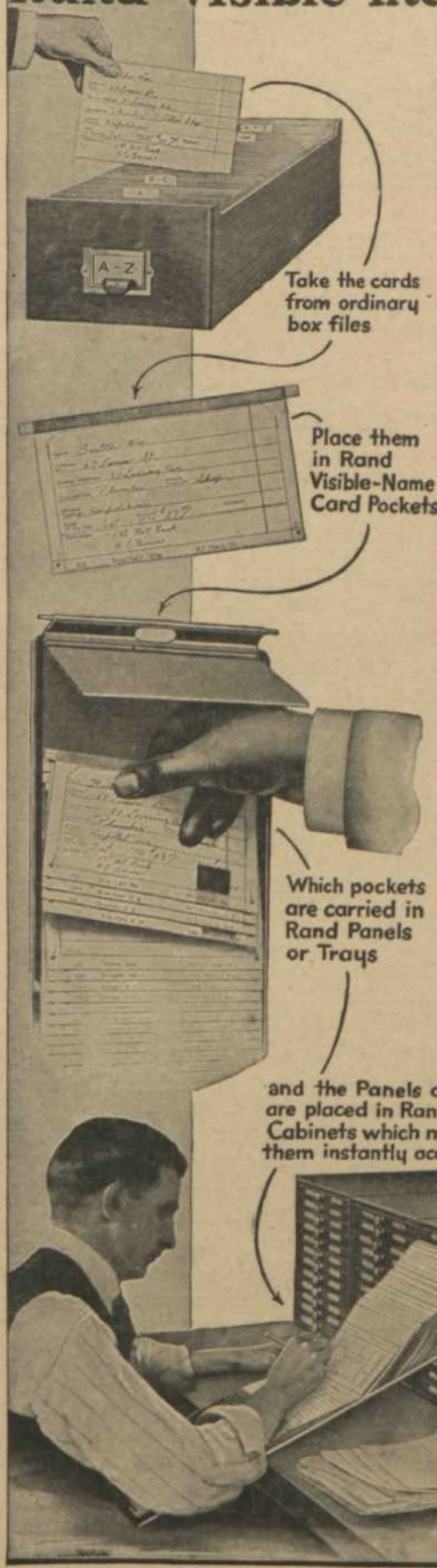
The Duke and the Earl are to be sole principals of the company, which has a nominal capital of £100,000 divided equally into preference and ordinary shares of £1 each, and is to carry on the business of managing and developing estates and of farmers, graziers, sheep farmers, and stock owners.

The estates to be acquired are in the counties of Edinburgh, Roxburgh, Selkirk, and Dumfries. These include three principal residences, among them Dalkeith House, where Royalty has frequently been entertained. The duke has in all five residences, and the remaining two are Boughton House, a mansion in Northamptonshire, and his London residence, 2 Grosvenor Place, S.W.

According to one authority the duke's estates in Scotland consist of round about 400,000 acres. In Dumfries are 250,000 acres, in Roxburgh 100,000, in Selkirk nearly 6,000, in Edinburgh County approximately 3,000. These possessions stretch over large areas of hunting and fishing country, and contain a fair proportion of agricultural land. In addition there is considerable mineral wealth in County Edinburgh. He is also the owner of considerable land in England, principally in the Midland and Home Counties. . . .

The duke had made a statement "which

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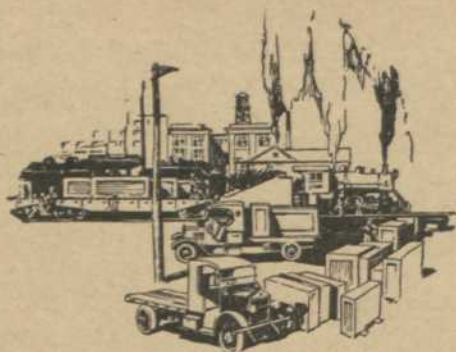
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Almost unnoticed has come this great change in modern banking

A change that has now brought together two groups of specialists in the two great fields of banking

ONLY a few years ago, when a business man thought of a trust company, there came to his mind an institution confining its activities almost entirely to personal and corporate trusts.

When he thought of a commercial bank, it was to him chiefly a place for depositing money, securing loans, collecting drafts and clearing checks.

Today, trust companies have taken over practically every function of the commercial bank. Commercial banks have organized trust departments. Both, in response to the growing needs of business, have developed special departments for securing accurate knowledge of distant markets, for ascertaining up-to-the-minute credit ratings, for speeding up collections, releasing capital, and a multiplicity of services almost unheard of a generation ago.

But high grade services cannot be created overnight. They require time, experience, the growth of corporate judgment. The Irving Bank-Columbia Trust Company therefore considers itself fortunate in having been able to bring together into one organization two groups of special services long seasoned by years of experience.

The former Columbia Trust Company has contributed, among other things, the ripe experience of long years of specialization in trust services—personal and corporate.

The former Irving Bank has contributed the accumulated experience of more than seventy years of specialization in commercial banking.

Depositors of the two former institutions, those outside as well as in New York City, thus have at their command an exceptionally well-balanced service for meeting every banking need.

IRVING BANK-COLUMBIA TRUST COMPANY

MEMBER FEDERAL RESERVE SYSTEM

NEW YORK CITY

shows the burdens per pound of rental after deducting management, maintenance, and repairs. These range from 5s. 6d. in the pound in 1912 up to 19s. 7d. in the pound in 1920."

The dukedom was created in 1663, and the Buccleuchs have for many centuries been reputed to be one of the richest families in the land, and many stories of the fabulous wealth of the present duke's father were current. His grandfather at his sole cost of over £500,000 built in the early forties the pier and breakwater at Granton on the Forth, thus commencing the great stretch of docks a few miles from Edinburgh.

Number of Electrical Fires

Less; Classification Suggested

ELECTRICITY held numerical supremacy as the cause of fires during the year 1918. Three years later, electrical fires were fifth in number among the principal causes of fires reported in the United States, according to a statement issued by the National Fire Protection Association. That statement receives discussion from the *National Electragist* in connection with a constructive suggestion for the classification of electrical fires as a means to reduce the number of faulty electrical installations traceable to careless and irresponsible workmanship. Says the editor of the *Electragist*:

Between 1918 and 1921 the losses occasioned by electrical fires decreased 37 per cent—from \$20,780,307 in 1918 to \$12,723,209 in 1921. During the same period the number of buildings wired for electric service increased from some 6,000,000 to over 9,000,000—an increase of fully 50 per cent—and the use of electricity by the people grew even more.

Relatively, therefore, the electrical fire risk up to the present time has decreased about 75 per cent, demonstrating that the rapid electrification of the country is doing much to reduce the number of fires which might otherwise occur. This is borne out by the records kept in this connection by the Society for Electrical Development and the Underwriters.

Electragists can lend their assistance to the movement further to reduce fires of electrical origin by supporting the plan now being formulated to classify electrical fires according to their direct cause, which puts the blame for such fires clearly and directly up to the party responsible.

Common Fur-Bearing Animals

Still Numerous, Editor Says

FUR-BEARING animals are not likely to become extinct through the activities of fur traders, holds the *Fur Trade Review*, in its cognizance of a statement attributed to H. E. Anthony, of the American Museum of Natural History, that 30,000,000 animals are killed every year to meet the public demand for furs, and that fur-bearing mammals will disappear in a few generations. The *Review* is inclined to take issue with Mr. Anthony, for it says that—

Dr. Anthony is only partly right. In 1922 over 30,000,000 skins were dressed by the members of the Fur Dressers' and Dyers' Association of New York and this total is considered to be about 90 per cent of the total for the entire United States. . . .

It can be seen from these figures that about 20,000,000 of the animal skins which entered into the American fur trade last year consisted of muskrat, opossum, mole, lamb, kid, marmot and squirrel, leaving 10,000,000 skins for division among the numerous other, and we may say truer, fur bearers.

Dr. Anthony attributes the decline of the mammals to the demand for fur skins, yet he overlooks the fact that a great proportion of the fur garments purchased and worn each

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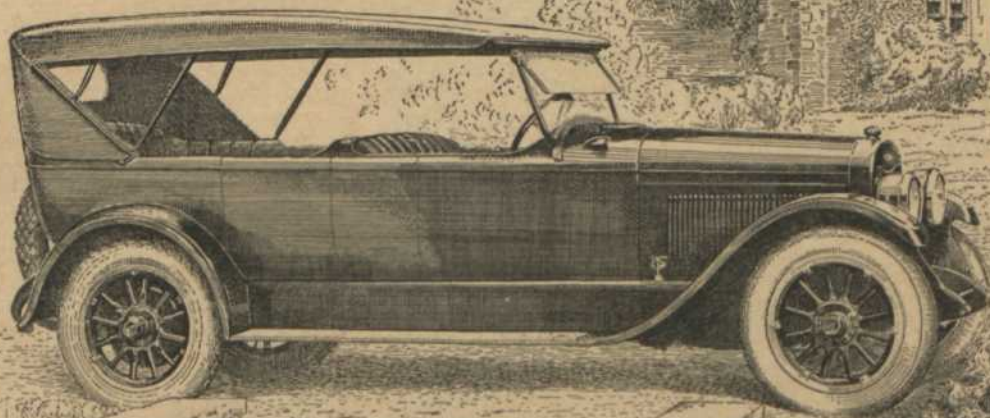
"On my trip to Colorado I traveled over 2500 miles, always stopping over night at Ford Garages, usually finding them to be the best in the towns or cities and universally anxious to render service to Lincoln owners.

"If big car owners could only realize the advantage of owning a Lincoln car in a drive across country, Lincoln sales would surely surpass those of all other big cars. Reliable Ford Dealers are so well established in all towns and cities that Lincoln car owners can rest assured that no matter where they may need service, a responsible Dealer is near at hand to render that service and at a reasonable cost."

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year are made from rabbit skins and that well over 20,000,000 rabbit skins were consumed in the American fur industry last year, most of them coming from New Zealand and Australia, from which sources, if we so desire, we can obtain 10,000,000 rabbit skins a week without endangering the continued existence of this abundant source of supply.

While the constantly increasing number of fur shops and fur wearers might easily lead one to suppose that the supply of fur-bearing animals must soon be exhausted, a careful examination of the kinds of so-called fur used in popular fur garments would reveal a surprising quantity of lamb skins, rabbit skins, kid skins, mole, marmot and squirrel. We have no reason for worrying about the future of these fur bearers. As a matter of fact, the supply is greater now than it ever was before.

Chemistry Graduates Advertise

To Keep Training in Canada

THE FIFTY-FOUR members of the graduating class of 1923 in chemical engineering, University of Toronto, are advertising the offer of their services to Canadian manufacturers under the slogan, "Keep Trained Canadians in Canada." Each man's training during the four years of his residence at the university cost \$9,000, according to the advertisement, including \$4,000 for four years loss of wages, \$4,000 for living expenses and fees, and \$1,000 cost to the State. Their services will cost manufacturers "the same wages to start with that you would pay untrained man-power; then what you have found us to be worth." Outlining the qualifications of the young men, the advertisement says:

We do not pretend to "know it all." What we do contend is, that the special training we have had, plus business experience, will make us more valuable to you than would business experience without this preliminary training.

We are prepared, if necessary, to don overalls and begin at the bottom, because we have the faith that our training will enable us to make ourselves increasingly useful to you in more important capacities as time goes on.

We submit that you will find in us the best raw man-power material available.

We believe that there must be places in the manufacturing, office and sales departments of your business, or in combinations of these if your organization is not large, where you would find our equipment and our capacity for grasping practical details an advantage.

Where Does the City Man

Get His Patronizing Manner?

FARM HOMES are the substance and city domiciles are only the shadow of life, if the view of the *Rural New Yorker* is accepted. That journal makes a bodkin of its editorial pen by way of letting down the swollen conceit which it ascribes to the "average city man." The operation is performed in the following paragraph:

Why does the average city man consider himself so superior to a farmer? Did you ever try to analyze the question and see what you can make of it? Take a good farm home and a well-kept city flat, and compare the two libraries or books that are read in each. On the average, the farmer will have twice as many good books, and he spends twice as much time reading them. The same is true of papers and magazines. The average city man would hardly know where to go and find a public library. Take the occupations of the two men. The farmer is a producer of necessities. He has a skill and experience equal to that of any high-class mechanic. The city man, if he be in business or a "profession," is merely one of 1,000. Inside of a week his place in the ranks

would be filled so that he never would be missed. He is not a necessity in industry. Take the two families. The city children may be more flippant and showy, but in most cases they lack the self-reliant character which work and rural associations bring. In like manner, compare the food and its preparation, the religious observances of the two families, their neighborly duties and their relations with other human beings. Go through them all carefully and fairly, and then tell us just what reason the city man has to feel that he is superior to a farmer!

27,665 Taxis Seen in One Day, 20,398 of Them Not Occupied

ANALYSIS of the viewpoint of taxicab operators in the larger cities would result in the discovery that there is too much competition for the good of the business, believes *Automobile Topics*. The man in the street thinks he sees evidence of too many taxicabs, adds the editor, and the evidence is explained by the prevalence of the "cruising" taxicab which flits from curb to curb in the quest for fares. The reader is told that the

Result of a taxicab census taken during the daylight hours of one day on Fifth Avenue, New York, by the Fifth Avenue Coach Co., seemingly affords confirmation. A close check-up revealed that 74 per cent of the cabs were unoccupied when registered in the count, the actual numbers being 20,398 unoccupied cabs and 7,267 occupied. In view of that it is easily seen that larger revenues for cab operators and better traffic regulation would result if more people were carried in fewer vehicles. Fame and favor await the genius to come forward with a method of operation that will take the wrinkles out of this situation.

A Trip Abroad Now and Then Whets Interest in Exporting

EXPORT managers who have never been outside the United States are directing large and satisfactory sales for their firms, says *Export Trade*, in discussing the question of how much time, if any, should be spent abroad by export managers.

It is sometimes possible to conduct a foreign sales campaign entirely by mail, the editor believes, but not always, for, "owing to particular requirements, it is necessary that an executive should be constantly on the ground supervising the foreign sales force." The foreign department may be put in better case with the controlling authority of a business by representations of the export manager toward increased interest in his department. As *Export Trade* puts it:

Leaving out of the question, however, the advisability of the executive directly in charge of foreign sales making frequent trips abroad, we do feel that an occasional business trip on the part of the president or chief executive of the company is of intense value. We frequently hear complaints from export managers that the board of directors or chief executive is not thoroughly sold on the foreign department; that they see in it only 10 per cent of the total sales and give it less than 10 per cent of their interest.

Export managers can do much to increase this interest on the part of their superior officers by inducing them to take an occasional foreign trip. It is not much more expensive nor does it take much longer to go to Havana or San Juan than to Palm Beach or Miami. Yet the different conditions and the sight of the firm's products for sale in exotic surroundings will do much to stimulate the interest of any executive in the expansion of his concern's business through world markets.

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Performance! That's the real test. The Syntron Hammer is working. Right now it is reducing costs for dozens of concerns. If you are paying for hand work on Drilling and Chipping Masonry—Chipping Metal—Light Riveting on Assembly Work—or other operations where a power hammer could profitably be used the Syntron Hammer means money saved for you.

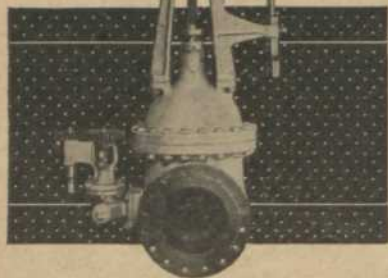
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Think of all that valuable property of yours two-thirds of the time in the hands of one or two men.

Are those watchmen properly checked up and safeguarded? (Ask yourself that question seriously.) Are they protected by local supervision—assistance there on the premises, in emergency or danger?

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Human Nature in Business

By FRED C. KELLY

MY OLD friend Julian K. Viles has for nearly forty years been conducting a fishing camp in the wilds of Maine—the only one I ever heard of where they guarantee the fishing. If you don't catch all the speckled trout you want, on the fly,



there is no charge for your board. Naturally, Viles has attracted guests from remote parts of the country.

"You must have picked up a lot of information from talking to all these smart business men who have come here during forty years," I suggested to this old man of past three-score and ten, as we sat before some blazing logs.

"The trouble is," he replied, "that the ones who know most have the least to say. They're busy just asking questions and trying to see what they can find out. The folks who don't know much—they do all the talkin'. Many's the time somebody who didn't really have anything much to say has kept me up until I had to drop tobacco juice in my eyes to keep awake!"

I had forgotten about this conversation—about how those with the least to say talk the most—until just recently I noticed one of the final issues of the *Congressional Record* for the session of Congress that adjourned March 4. The remarks of Senator Tom Heflin for that one issue cost the taxpayers of the country nearly \$2,500!

WHEN a famous financier dies, and the listing of his property becomes public, we often learn that he had in his safety deposit box various securities, once valuable but now well-nigh worthless. Why isn't a successful financier capable of avoiding such poor investments? Because the shrewdest investors are those who carefully reckon on the law of averages. They never put their money into just one kind of stock or bonds, no matter how attractive. Instead, they buy a varied list, in the belief that while a few may go down in value, the rest will go up—will go up so far, in fact, that it won't matter if one or two go down. Almost any man with ordinary intelligence and enough capital might grow wealthy if he were to study business cycles, buy securities during evident periods of depression, and sell them in times of great prosperity. But he can't be sure to do this if he puts all his eggs in one basket. The one stock in which he invests too heavily may be the very one that fails to advance along with a large group. The only safe plan is to buy a dozen or a score and let the law of averages work in one's behalf.

EVEN THE best banks always have a few bonds appraised at only a fraction of the original value. If the bank were so careful in its investments that it never bought any of these securities that go wrong,

it would have to be so conservative as to be free also from any chance at large profits. Consequently it would never grow as fast as its more enterprising competitors. The same is true of big stores which never have any credit losses—they can't obtain desirable new customers unless they take a few chances on customers who may prove undesirable. At the present time, nearly every big bank and trust company in the middle west probably has in its vaults a few almost worthless bonds of once highly successful inter-urban traction companies. Automobiles, trucks, and paved highways have hurt the earning power of such railroads more rapidly than anybody was able to foresee.

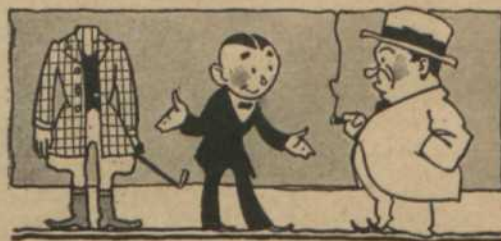
THERE are many little straws to indicate what is happening in a town, with regard to its growth and its people's average buying power. The city directory, telephone book and school census give a good idea each year of the rate of growth. And the stores know how readily people are parting with their money. To get a line on spending tendencies, I should rather have information from a cigar store or a candy shop than from a piano store. Each deals in luxuries, but the one selling small articles will more nearly keep pace from day to day with average people's average spending impulses.

ONE OF the most successful real estate operators in the United States once told me:

"Give me fifty families of the right sort who will agree to live in a new locality, and there will be no trouble getting plenty more to live there. People who are wholesome, orderly, pay their bills promptly, like artistic homes and well-kept lawns, will always attract others."

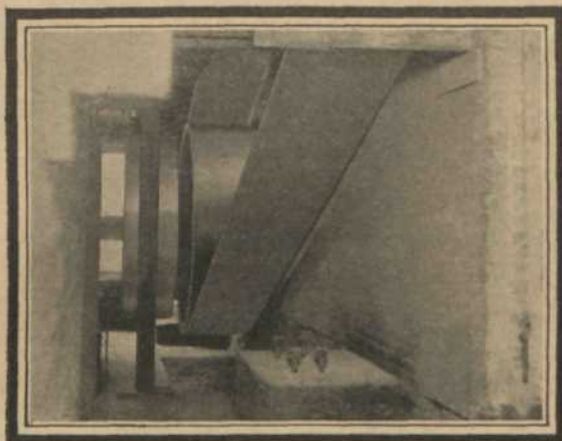
AN ARTICLE bought right is half sold," says an old business maxim, which, like many a supposed crystal of wisdom, is probably wrong.

I recently discovered, in mingling with employees of a big department store, that this old theory of the super-importance of the buyer is religiously believed. The buyer is undoubtedly taken more seriously than the salesman. Yet I'd be willing to lay a small wager that the belief rests not upon truth but upon a mere foible of human nature. A moment of reflection must convince anybody

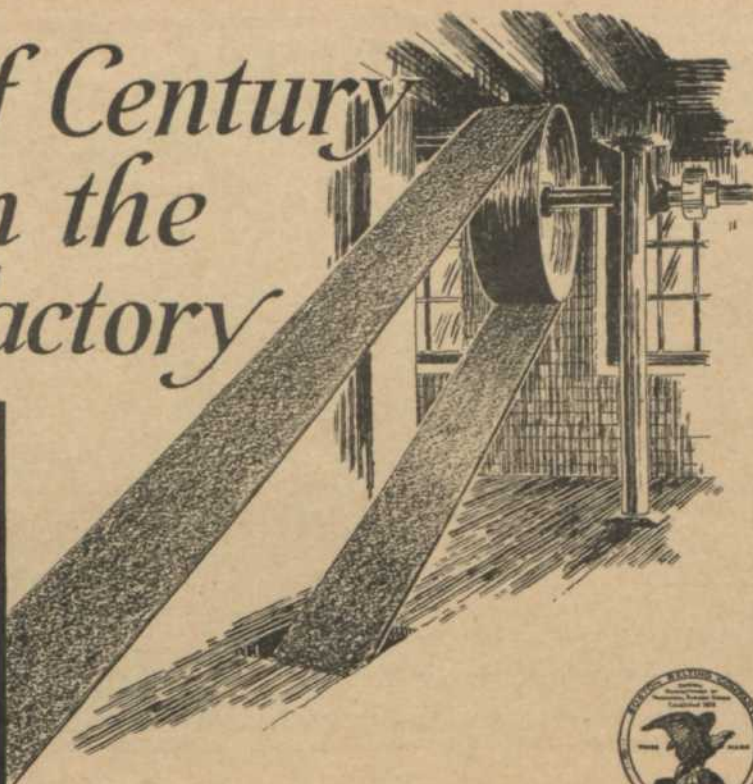


that it would easily be possible to go to various wholesalers and arrange to buy ten times as much stuff—at reasonable prices, too—as any store could hope to sell. Of course, one must exercise caution not to buy just before a falling market; but I insist that it ordinarily requires more ingenuity to sell an article than to buy it. While not much salesmanship is needed to induce a hungry man to buy a loaf of bread, think of all the things people do buy for which

Nearly a Half Century of Service in the Chickering Factory



Actual photo of belt in Chickering factory



CLOSE to fifty long years of service for Chickering. That is the record of a rubber belt made by the Boston Belting Co. for these famous piano makers.

This achievement is indicative of the way in which commercial rubber goods made by this company have served industry during the past century. Most mechanical rubber products now on the market were originated by the Boston Belting Co. In this plant experiments were conducted that were to mean so much to the industrial growth of the entire country.

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The Boston Belting Company is now specializing on the production of first quality rubber belting, rolls, hose, spiral packing and corrugated matting. The fact that each of these products stands high among competition may be attributed to the company's century of experience in making such material—and to the constant progress of the company's

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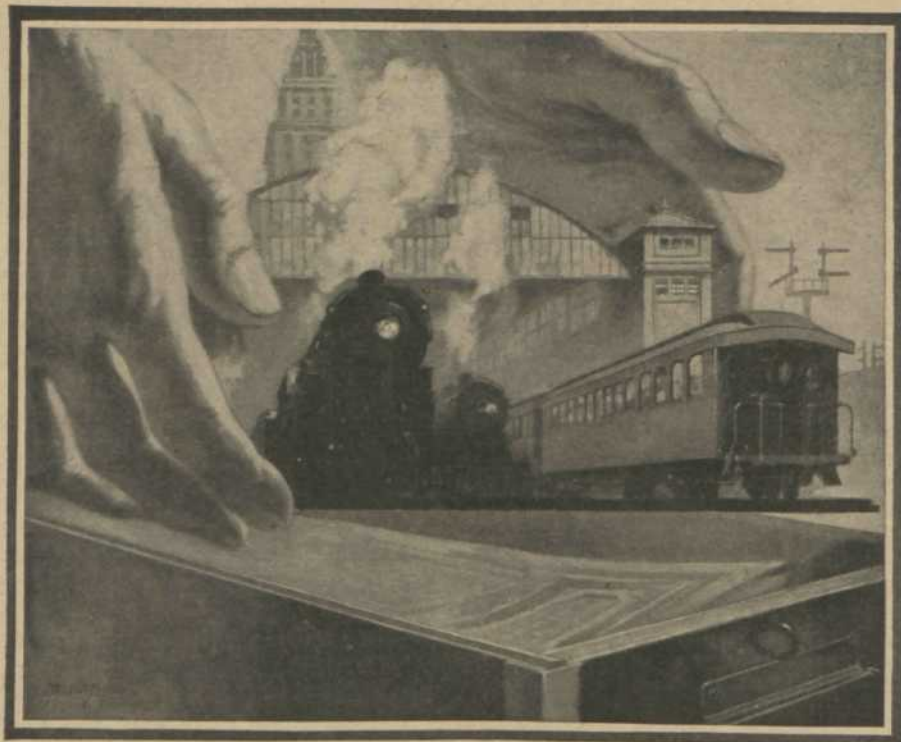
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they haven't the slightest need. Many of us have separate clothes, not only for morning, afternoon, evening and lounging purposes, but for nearly every mood—different outfits for tennis, golf, walking, riding, motoring, hunting, fishing, skiing, skating, croquet, polo, and many other forms of fashionable endeavor. It is not difficult for the professional buyer to obtain such a variety of garb, but except for the efforts of advertisers and salesmen, many a person might vulgarly attempt to worry along with the same outfit for both walking and golf, or even go motoring in riding clothes. Just imagine!

DUE TO salesmanship, people often discover that their wall paper, furniture, or motor cars are out of style and sacrifice them to buy the latest novelty. If it were not for the constant effort of salespeople, there is no telling how much economy might creep into the average home.

WHY, then, if selling is so much more difficult in a department store than buying, are the buyers taken so much more seriously by the fellow-employees? The answer is, I think, that because the buyer's job is easier, every sales person *envies* the buyer. Naturally, you must look up to the man whom you envy. Not only is the buyer's job easier, but it is more fun. Buyers go to New York four or five times a year to select goods for the next season and are royally entertained at dinner and theater parties. Or at least, the other employees *think* they are. Women buyers go to Paris, with a liberal expense account, and return wearing the very latest in Parisian hats. Oh, *such* hats! Is it any wonder that every salesgirl feels herself inferior to the buyer and wishes she were one? I'll venture to say that the average salesgirl prays that when she dies she may go to a Happy Land where everybody is a buyer.

NOW, THEN, the surprising thing is that the salesgirl in a big store, in spite of being one of the most important employees, is rarely treated with the consideration and deference that is her due. Stenographers in the business office regard the salesgirls as inferiors. At lunch in a big store recently, I noticed that the stenographers preferred to eat in groups by themselves lest somebody might mistake them for salesgirls. Of course, the private secretaries, feeling certain of their own superior importance, didn't mind eating with the salesgirls—just as in college, the sophomore is a little squeamish about being too chummy with a freshman, but a junior or senior doesn't mind.

WHAT I am getting at is that no department store, or, for that matter, no mercantile institution, is well organized until the head boss has convinced everybody in the establishment that the most important thing they have to do is *sell* whatever it is they are trying to sell. One great store organization recently recognized this—after a consultation with a business adviser—and now they tell everybody who is on their pay roll, including the janitor and elevator operators:

You are useful to us and entitled to promotion in proportion to how well you succeed in helping us *sell* our goods. This help may take the form only of courtesy to customers, but please remember that even though you're not behind a counter, your job is partly to assist us in selling.

Log of Organized Business

ILLITERACY is about twice as great in American rural districts as in cities "because of the inferiority of the rural schools and of poor attendance," is a conclusion presented in a pamphlet on *The Rural School* and the Chamber of Commerce, issued by the Civic Development Department of the Chamber of Commerce of the United States.

School advantages of the country have lagged behind those of the city with a consequence that those who can afford to leave the farms do so in order to give their children better educational opportunities, the department says in connection with its finding that "about one-half of the elementary school children in the United States attend rural schools. The rural school term, however, averages only 134 days a year as against 184 days for city children."

The study further revealed that "one-half of the rural teachers in the United States have not completed the four-year high-school course and 10 per cent have finished only seven or eight grades of the elementary schools. In several states less than 3 per cent of the rural teachers teach more than one year in the same school."

The pamphlet emphasizes its belief that those things which affect the welfare and prosperity of the farmer are of vital interest to the business man, and it points the way to an improvement of present conditions through standardized schools, consolidated schools and the proper system of county organization.

The establishment of a community of interest through which farmers and business men may exchange views holds promise of helpful progress in solving common problems, the department believes, for "much good comes from meetings where business men and farmers get together for consideration of mutual problems. From these gatherings may develop cooperative effort in the consideration of proposed state legislation affecting rural schools, and the development through the rural schools of practical projects for the enrichment of country life, such as the extension of library advantages to the country, aid in the promotion of corn clubs and hog clubs and the provision of instruction at night for adult illiterates."

A Plan for Better Dairy Products

WISCONSIN dairymen and bankers have devised a plan to improve methods of merchandising dairy products by means of standardization, packing, labeling, and advertising. The state-supported agencies are to have all possible assistance in organizing groups to assure high-grade dairy products, says the *Banker-Farmer* in describing the plan from which it is hoped to obtain for the dairymen all of the financial returns over and above the legitimate cost of advertising. It is proposed to incorporate the dairy interests under the name "Wisconsin Dairying, Incorporated," without stock or profits, the *Banker-Farmer* explains. The plan of financing is unusual, for

Each dairyman who becomes a member is to pay his annual membership fee with the proceeds from one average day's milk in June. The bankers, on the other hand, will pay an amount equivalent to one-tenth of 1 per cent of the capital stock of their respective banks.

All of the money collected will not be put into a common pool, but the funds of those men interested in fluid milk will be used to advertise and increase the consumption of fluid milk. On the other hand, money con-

tributed by the men in the cheese business is to be used exclusively in the merchandising of their own product. Each of the various sub-organizations will help bear the expense of the main incorporation.

The first step to be taken in working out the plan will be an investigation of the existing cooperative agencies that could be assisted in their merchandising of dairy products. One or two cooperative agencies will be selected with possibilities of establishing a definite merchandising program. They will then be assisted in the development of such a program. . . .

The bankers of today as well as all other well-informed business men realize as never before that the purchasing power of the farmer must be restored before the country can get back to a sound business basis. For this reason they are now uniting their sound business judgment and experience with that of the dairymen in order to place the dairy industry on a more permanent, stable basis.

Praise for Our Business Men

A NEW measure of American chambers of commerce is recorded in an address delivered in London by Sir Charles Wakefield, who recently visited the United States with the Sulgrave delegation. The party made a tour which included representative cities in the east, the south, and the middle west. The address of Sir Charles is reprinted in part in *Pittsburgh First*, the official publication of the Chamber of Commerce of Pittsburgh, one of the cities he visited and to which his references were particularly cordial. Said Sir Charles:

While in the United States, I could not help noticing wherever we went, the great part played in local life in American towns by the chambers of commerce. Americans are much more frank and open than we are in their recognition of the importance of the "business" point of view. The "good American" quite genuinely and honestly believes in dignity of business—in its almost paramount position in individual and corporate life. Therefore it is in no apologetic spirit that his chambers of commerce step into the public arena, and take their very active share in the life of the township. I found ample evidence that the opinions of the chamber of commerce are reflected very adequately in the policy of the local authority, the town or district council, and that this is a state of things that meets with general approval. I certainly think that, making allowance for differences of commercial methods and outlook, our own chambers of commerce might well widen the sphere of their activities very considerably. The fact is that the business man in America is never too busy to be a good citizen.

Frisco and the "American Plan"

THE DEVELOPMENT of "Greater San Francisco" is described and recorded in a special number of the *San Francisco Journal*, which finds explanation for freedom from labor trouble in the application of the "American plan in industry." That plan, the *Journal* says, must be attributed largely to the formation and efficient administration of the Industrial Association of San Francisco. Of the scope of the plan and the results achieved, the *Journal* reports that

The program of the American plan aims at complete justice to all workers, union or non-union, equal justice to the employers and a decent consideration for that much-abused "innocent bystander" in every industrial dispute—the public. Its fundamental principle is embodied in the belief that every man has



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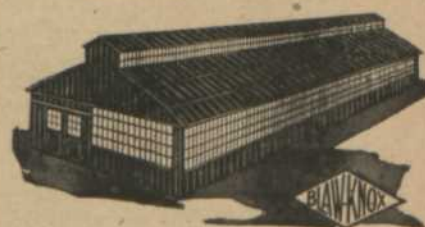
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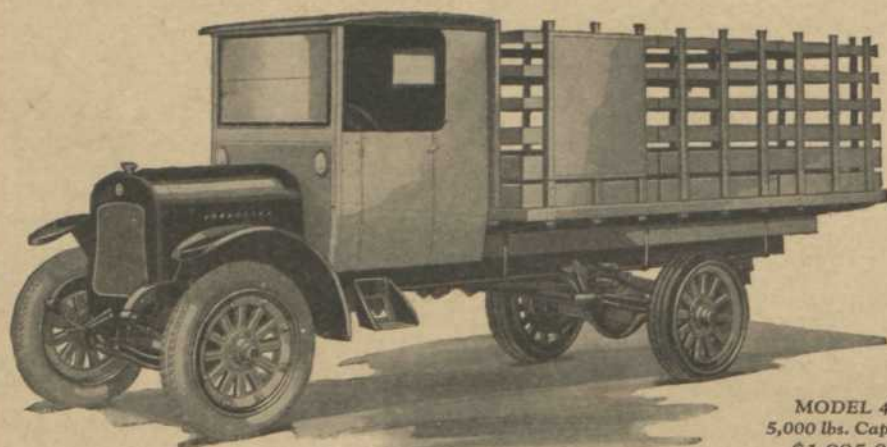
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Go-Getter	\$795	Model 40	\$1,995
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a right to work, regardless of whether he is affiliated with any guild, league or union. It has also abolished a number of cumbersome, expensive and fundamentally unjust rules and regulations that hitherto imposed artificial restraints upon employer and employee alike. A few of these rules may be quoted with profit:

"In the painters' union, a rule regulating the size brush a journeyman painter could use.

"In the bricklayers' union, a rule limiting the number of bricks a bricklayer could lay in a day.

"In the electrical workers' union, a limit imposed on the number of 'outlets' to be installed in a working day.

"In the reinforced concrete workers' union, a rule prohibiting the bending of steel rods by machinery. (The machine permitted several to be bent at once.)

"In the roofers' union, a rule forbidding the asphalt to be heated before the men appeared on the job at 8 o'clock. (Meaning that a good quarter hour of the working day was absolutely wasted.) . . ."

The record of what has actually been achieved by the American plan, as launched, and backed by the Industrial Association, is a long and interesting one.

Besides the building industry and its many allied crafts, the metal trades, including the shipyards and foundries, the Market Street Railway, the chemical manufacturers, the candy industry, the principal taxicab companies, the shoe manufacturing and manufacturing tailoring establishments, waterfront workers, seamen and freight handlers, and the lithographic industry, are all operating on the American plan, and there is an increasing willingness being manifested on the part of other industries to establish this basis of employment.

A School To Train Tailors

A TAILORING school has been established in San Francisco through the cooperation of the Merchant Tailors' Association and the Retail Clothiers, units of the Retail Merchants' Association, with the retail merchants' division of the Chamber of Commerce.

The school was planned to meet the need for trained tailors. Arrangements have been made to give instruction to thirty students, the majority of whom are veterans of the World War. The service men are receiving assistance from the Federal Rehabilitation Board. The expenses of the school for one year will be underwritten.

Chamber of Commerce in Haiti

THE AMERICAN Chamber of Commerce of Haiti has been organized at Port au Prince with forty-two active members and thirty-one associate members. At the organization meeting, assurance of fifteen additional non-resident active members and twenty associate members was received from the members then enrolled.

The Chamber's purpose, to quote from its own announcement, shall be

to further the development of commerce between the United States and the Republic of Haiti, to collect and disseminate information, to examine questions pertaining to their commercial and industrial relations, to encourage and facilitate the transaction of business between them, and especially to promote American interests in the Republic of Haiti.

According to provisions of the organization plan, a majority of the officers elected shall be American citizens, resident in Haiti, who are actively connected with American business interests, and the determination of matters of policy and amendments of the Chamber's statutes shall require the ap-

proval of a majority of the American members of the board of directors.

Whooping Up An Election

AN ELECTION of directors with all the accompaniments of an old-time political campaign was held recently by the Buffalo Chamber of Commerce. The use of machinery long recognized as essential to the enthusiasm in political races is believed to mark a new step in the selection of officers by business organizations.

Nine directors were elected from a list of eighteen candidates, who ran on two tickets of nine men each. One ticket was known as the Red Ticket; the other as the Blue Ticket. Each ticket had the services of a special manager and was supported by articles prepared for the daily press, campaign committees, luncheon meetings, telephone solicitation and the canvassing of industrial plants and business houses.

All members of the Buffalo Chamber were permitted to vote, even out-of-town members. The total number of ballots cast was 1,657, and, by reason of a requirement that before members can vote their dues must be paid in full, the Chamber's treasury was enriched by several thousand dollars.

Coming Business Conventions

THE FOLLOWING schedule of conventions to be held during the last week of May or in June is here presented to the extent of the information available to this office:

Date	City	Organization
May—1st	Chicago	Music Industries Chamber of Commerce.
week of first		
week in	New York	Electric Light Association.
June		Refrigerating Machinery Manufacturers Association.
June 3-7	Atlantic City	Associated Advertising Clubs of the World.
4-5	Cedar Point, O.	National Association of Leather Glove Manufacturers.
5		American Wholesale Coal Association.
5		Association of Operative Millers.
5-8	Buffalo	National Association of Mutual Savings Banks.
10	White Sulphur Springs, W. Va.	National Fertilizer Association.
12-15	Atlantic City	National Association of Credit Men.
13-15		New England Coal Dealers Association.
18-22	Buffalo	Wholesale Saddlery Association of the United States.
25-26	San Francisco	Certified Milk Products Association.
25-30	Dixville Notch, N. H.	Automotive Equipment Association.
26-30	Buffalo	National Saddlery Manufacturers Association.
26-30	Cleveland	National Association of Real Estate Boards.
27-30	Buffalo	Associated Manufacturers of Saddlery Accessories.
28-30	Detroit	National Ornamental Glass Manufacturers Association of the United States and Canada.
Last week	Toronto	International Stamp Manufacturers Association.

Among other conventions announced for June, of which the dates are not fixed or not available, are:

American Dental Trade Association, American Electro Platers' Society, American Feed Manufacturers Association, American Seed Trade Association, American Surgical Trade Association, Associated Manufacturers of Electrical Supplies, Dental Manufacturers Club of the United States, Financial Advertisers Association, Manufacturing Chemists Association, National Association of Building Owners and Managers, National Association of Chewing Gum Manufacturers, National Association of Master Plumbers, National Association of Theater Program Publishers, National As-

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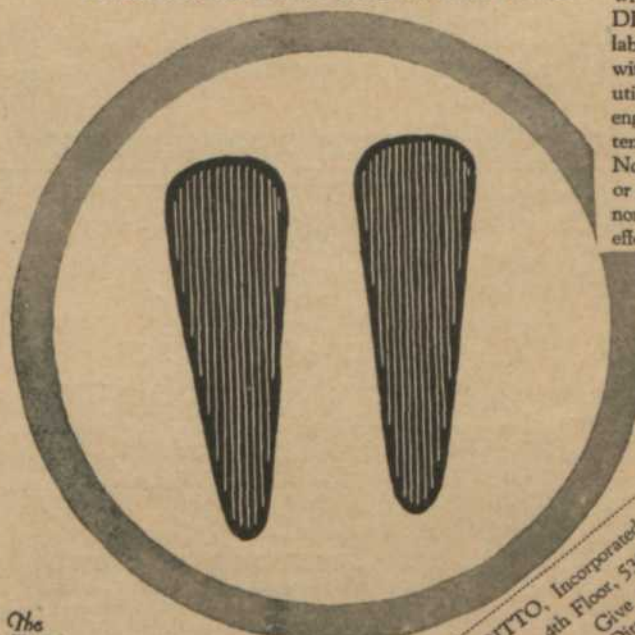
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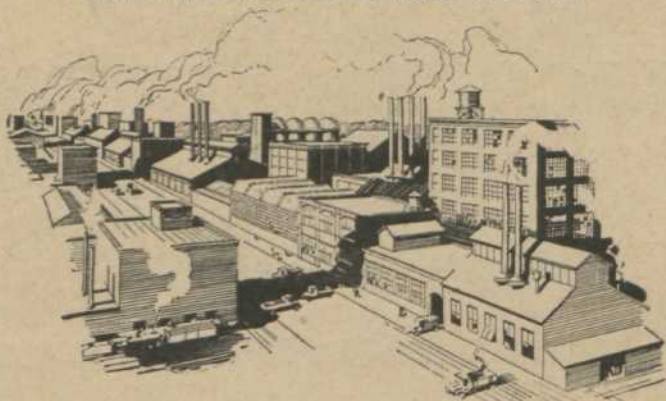
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Canadian Plant For Sale

Plant consists of four major buildings of brick and concrete construction (one suitable for machine shop), two frame storage houses, an oil house and an open shed, with a total floor space of 18,000 sq. ft., situated on plot 240 x 140 ft. fronting on main trolley line and near two railroad freight yards in Walkerville, Canada, directly opposite Detroit. Planned for minimum personnel and to facilitate expansion. Pattern shop equipped for either wood or metal patterns. Foundry equipment includes two crucible brass furnaces, core oven, crane and cleaning up machinery. Appraised value \$100,000. Detailed information may be had by writing to "Foundry" c/o THE NATION'S BUSINESS, U. S. Chamber of Commerce, Washington, D. C.



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sociation of Wood Turners, National Federated Flour Clubs, National Hardwood Lumber Association, National Macaroni Manufacturers Association, National Piano Manufacturers Association of America, National Retail Hardware Association, Southeastern Shoe Retailers Association, and the Stoker Manufacturers Association.

Mobile Adds a New Department

MOBILE now has an agricultural and horticultural department of its Chamber of Commerce. The activities of the new department include the following:

To centralize and coordinate the work of all persons interested in the welfare and development of agriculture and its related industries in the region of Mobile.

To provide a clearing house for all questions of common interest so that conflicting action may be avoided and concerted action taken where necessary. To recommend to its membership policies that will promote the welfare and interests of the agricultural industry in Mobile.

To offer facilities for conference with other organizations so that closer cooperation may be obtained.

To develop a wider acquaintanceship with consequent wider opportunities for transacting business among its members.

To act as an advisory department to the board of directors, and through its support to put the Chamber in better position to solve the agricultural problems of Mobile and the surrounding country.

Chamber Communications Important

A FRESH testimonial to the consideration accorded to chamber of commerce communication by men highly placed in official life is presented in the preface to an address delivered at Sharon, Pa., by Simeon D. Fess, United States Senator from Ohio. He told members of the Sharon Chamber of Commerce that:

Of all the communications arriving at the Capitol continually from various organizations, there is one which is never thrown into the waste basket.

We know that when a request, or a recommendation, comes from the Chamber of Commerce, it has for its foundation sane, intelligent deliberation.

Therefore, Chamber of Commerce communications are never disregarded.

College Invited to Work With Chamber

THE Chamber of Commerce at Appleton, Wis., has invited the students of Lawrence College to make use of the Chamber's collection of publications, reports, statistics and other data relating to domestic and foreign affairs.

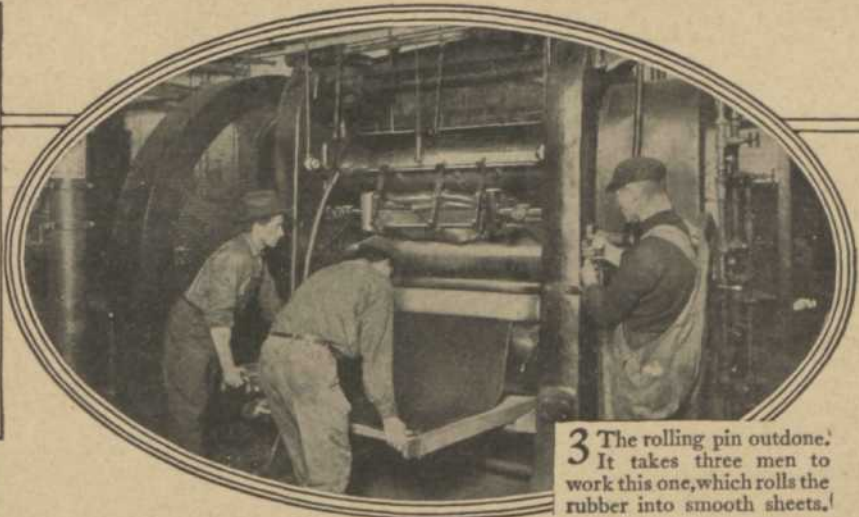
The Chamber has undertaken this service in the belief that any growth of the college will be reflected in the development of the community; the Chamber wishes the college students to know that it is a workshop for civic betterment, as well as a laboratory for the assembling of business experience.

Through its membership in the National and the International Chambers of Commerce the Appleton Chamber is linked with fourteen hundred chambers in the United States and several hundreds in foreign countries. It is thereby in position to receive benefits from any information accessible to other chambers.

A suggestive list of publications now available to the students includes thirty-three pamphlets on civic work, problems growing out of the war, foreign trade, business organization and management, and similar subjects.



1 Crude rubber. Looks like dough, doesn't it? Several kinds of rubber are used, and to get the right results these varieties must be put together according to a recipe.



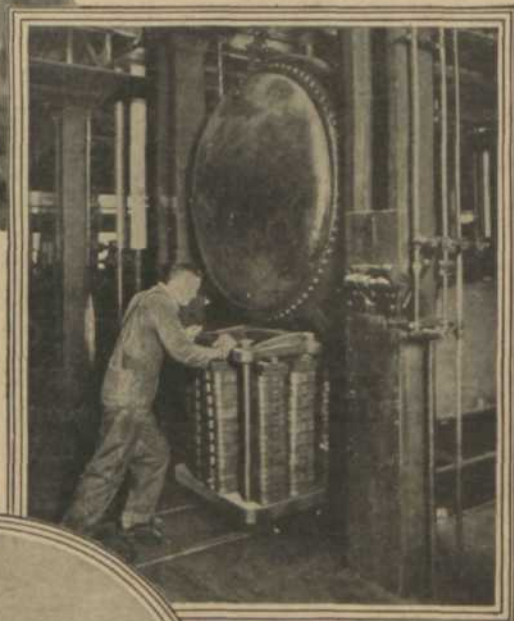
3 The rolling pin outdone! It takes three men to work this one, which rolls the rubber into smooth sheets.



2 This machine combines the different kinds of rubber. The principle is the same as with biscuit dough—to mix the ingredients thoroughly.



4 Strips in the shape of a telephone receiver are punched out of the rubber. These strips, in pairs, with a mold between them, are then put into a closed baking pan.



5 Baking on a grand scale. The chef who puts the receiver forms into an oven. The heat there would scorch a batch of home-made biscuit, but it's needed to vulcanize the rubber.

Made to a recipe, baked like a biscuit

YOU may be interested to know that the process for making your telephone receiver case is for all the world the way Mother makes her biscuit.

The pictures tell the story—one of many curious sidelights in the development of Western Electric telephones.

A fascinating work, but an exacting one. It demands constant testing of materials and improvement in design and the methods of manufacture.

The result? A telephone that is the standard the world over.

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on raw materials.*



6 The receiver case, baked hard to well protect the delicate mechanism it is to cover. It next goes through a finishing and polishing process to prepare it for your telephone.

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Who shall measure the value of the comforts electricity brings to the home?



Electricity has given to industry large progressive impulse.



Light and power—safety and transportation—for all the people—electrically!



Electricity, which built the cities, now makes life, both in city and country, more enjoyable.



On June 4, there will commence in New York City a convention of practical significance to you.

This meeting is held under the auspices of the National Electric Light Association and the sole purpose is to find more practical ways to further increase the reliability, convenience, and economy of the country's electric service, now so necessary to all.

Out of these annual meetings of men who direct the nation's electric light and power companies, and out of the spirit of service which guides them, come many of the developments that make the electrical industry a universal public servant.

For the great function of electricity, and of the industry which produces and distributes it, *is to bring more and better facilities into your life, your home, and your work.*

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